IN DEPTH: THE DARK UNDERBELLY OF LOAN RECOVERY AGENTS

businesstoday.in

Business Today

June 11, 2023 ₹200

bt INDIA TODAY GROUP

T-HUB INDIA'S INNOVATION ENGINE

GAUTAM SINGHANIA
CHAIRMAN & MD,
RAYMOND

THE TURNAROUND MAN

HOW GAUTAM SINGHANIA BROUGHT RAYMOND OUT OF THE RED, PUT TOGETHER A CRACK TEAM AND IS FASHIONING A NEW GROWTH PLAN FOR THE FUTURE

DL (DS)-04/MP/2022-23-24, RNI No. 53481/92 ■ FARIDABAD/145/2023-25 BPC Faridabad ■ Date of posting: Tue, Wed & Thursday

VISIT…

LANZAROTE

Caliente.com

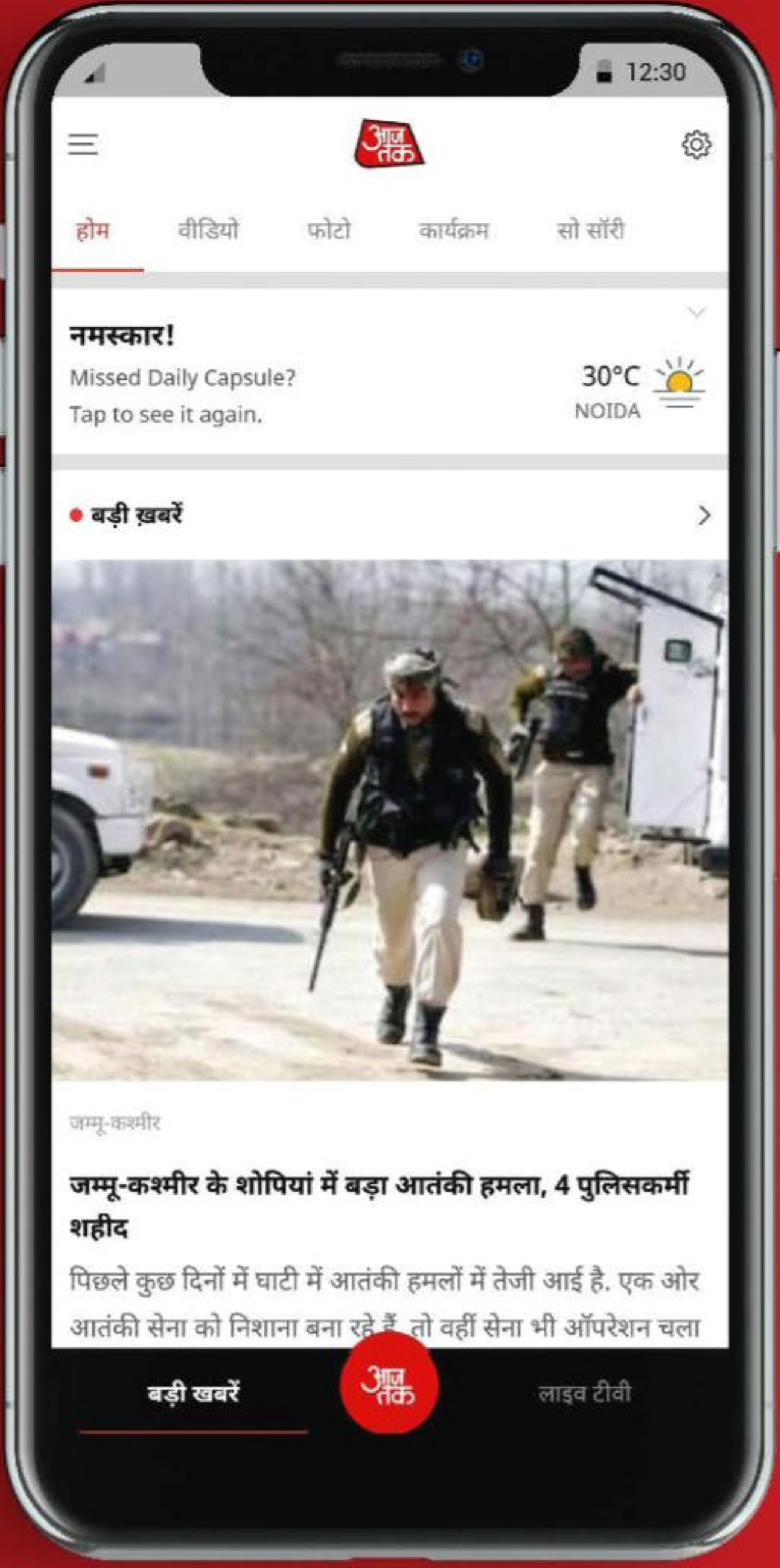
देश का नं. 1
हिंदी न्यूज़ ऐप

जुड़े रहिए हर खबर से,
कहीं भी, कभी भी

अभी डाउनलोड करें

aajtak.in/app

उपलब्ध है



12:30

होम वीडियो फोटो कार्यक्रम सो सॉरी

नमस्कार!
Missed Daily Capsule?
Tap to see it again.

30°C
NOIDA

● **बड़ी ख़बरें**

जम्मू-कश्मीर

जम्मू-कश्मीर के शोपियां में बड़ा आतंकी हमला, 4 पुलिसकर्मी शहीद

पिछले कुछ दिनों में घाटी में आतंकी हमलों में तेजी आई है. एक ओर आतंकी सेना को निशाना बना रहे हैं, तो वहीं सेना भी ऑपरेशन चला

बड़ी खबरें
लाइव टीवी

INDIA TODAY

BREAKING NEWS

JUST A TAP AWAY

9:41
INDIA TODAY
LIVE
TOP NEWS
VIDEOS
PROGRAMMES
TOP STORIES

LOK SABHA 2019

Narendra Modi Live: By Congress-mukt India we will fulfil Gandhi's dream

PM Narendra Modi was speaking in Lok Sabha

DOWNLOAD THE APP NOW

AVAILABLE ON

SBI
The banker to every Indian

YOU DESERVE
MORE

SBI
ई-कॉर्नर ई-कॉर्नर e-Corner
PERSONAL

BANKING
SOLUTIONS
TO FULFILL YOUR
EVERY NEED

- 22,300 + Branches
- 65,600 + ATMs & ADWMs
- 470 million+ Customers
- 70,200+ BC outlets
- 60 million+ YONO registrations
- 111 million+ Internet Banking Registered Users

Scan to
know more

G20 भारत 2023 INDIA
75 Azadi Ka Amrit Mahotsav

For assistance, call **1800 1234** or visit **bank.sbi**

Follow us on

FROM THE EDITOR

Stitching a New Strategy

Gautam Singhania has a spring in his stride these days. The flamboyant boss of Raymond Ltd has just completed a stellar FY23, where his company has clocked a billion dollars in revenues for the first time in its 98-year existence. The 58-year-old Singhania can afford to be satisfied with the performance of his company, given that it was teetering on the edge just a couple of fiscals ago, battered by the pandemic and the consequent lockdowns. Today, not only has Raymond been able to bounce back into the black, FY23 saw profits doubling along with highest-ever revenues. Hit by the pandemic, when revenues from its businesses from branded textiles to engineering & auto components plunged, leading the company to a ₹297-crore loss in FY21, Singhania went about undertaking a series of cost-cutting measures, including cutting down the number of stores and excess inventory, and putting together an aggressive turnaround plan. This also included hiring top-deck talent from outside, including executives who had previously worked at Coca-Cola and Godrej Consumer Products Ltd.

The biggest bonanza for Raymond came by way of its real estate business Raymond Realty—something the company was hardly known for till recently—which contributed ₹1,115 crore to the company's ₹8,337-crore FY23 turnover and was a key factor in its return to profitability. The company successfully leveraged its land bank in Thane near Mumbai, and will now make real estate the main business of Raymond Ltd, with investments in engineering and denim. And the lifestyle businesses will be demerged from Raymond Ltd and brought under Raymond Consumer Care Ltd, which will be listed as a separate entity. In our cover story, *Alokesh Bhattacharyya* delves into Raymond's dramatic turnaround, and how Singhania is leading his top team to ensure growth and profitability, with apparel & lifestyle and real estate leading the growth drive. As Singhania tells him: "Vision is 20:20 in hindsight, but we built a real estate business, we built a full new team of people, we built a profitable business… it's all happened, not by chance."

I would also urge you to read *Anand Adhikari*'s deep dive into the murky world of loan recovery agents (RAs). Over several weeks, Adhikari met multiple RAs, asset reconstruction companies and banks to piece together a world where hole-in-the-wall recovery agencies take advantage of grey areas in regulation and the absence of tight supervision by the banks that give them business. Many non-banking finance companies also do not follow Reserve Bank guidelines for empanelment, and bank boards lack clear policies on it. As a result, borrowers often face intimidation and harassment from agents who lack soft skills. There is also no centralised database of blacklisted agencies, and often those blacklisted by some banks continue working for others. While RBI has taken note, the need of the hour is a stricter set of rules for RAs so that the recovery process can become more organised and orderly in the best interest of the financial system. **BT**

sourav.majumdar@aajtak.com
@TheSouravM

Business Today
http://www.businesstoday.in

Chairman & Editor-in-Chief: Aroon Purie
Vice Chairperson: Kalli Purie
Group Chief Executive Officer: Dinesh Bhatia
Executive Director: Rahul Kanwal
Chief Revenue Officer: Alok Nair

Editor: Sourav Majumdar
Group Creative Editor: Nilanjan Das
Group Photo Editor: Bandeep Singh

Global Business Editor: Udayan Mukherjee
Managing Editor, Business Today TV: Siddharth Zarabi

Managing Editors: Alokesh Bhattacharyya, Anand Adhikari
Executive Editor: Krishna Gopalan

Senior Editor, Businesstoday.in: Mukesh Adhikary

CORRESPONDENTS
Senior Editors: Neetu Chandra Sharma, Nidhi Singal, Smita Tripathi
Editor (Money Today): Teena Jain Kaushal
Senior Associate Editor: Ashish Rukhaiyar
Senior Assistant Editor: Binu Paul
Assistant Editors: Arnab Dutta, Manish Pant
Special Correspondents: Prerna Lidhoo, Vidya S.

PRESENTER AND SENIOR EDITOR, BUSINESS TODAY TV:
Aabha Bakaya

RESEARCH
Assistant Editor: Rahul Oberoi
Principal Research Analyst: Prince Tyagi

COPY DESK
Senior Associate Editor: Abhik Sen
Senior Assistant Editor: Shishir Kumar Behera
Senior Sub Editor: Pranay Prakash

PHOTOGRAPHY
Principal Photographer: Rajwant Singh Rawat
Photographer: Hardik Chhabra
Senior Photo Researcher: Vishal Ghavri

ART
Deputy Creative Editor: Anirban Ghosh
Deputy Art Director: Rahul Sharma
Associate Art Director: Raj Verma
Chief Designer: Prabal Biswas

EVENTS
Senior Manager: Sourabh Dutta

PRODUCTION
Chief of Production: Harish Aggarwal
Senior Production Coordinator: Narendra Singh
Production Coordinator: Ayekpam David Meitei

LIBRARY
Assistant Librarian: Satbir Singh

BUSINESS TEAM (MAGAZINE)
National Head: Siddhartha Chatterjee
Assistant General Managers: Ankush Madan, Girish C, Priya Gaur (Govt Sales)

BUSINESS TEAM (BT TV)
Senior General Managers: Masuma Parekh, Nisha Sharma

AD OPS
Deputy General Manager: Avinash Karkera

Marketing: Vivek Malhotra, Group Chief Marketing Officer

Newsstand Sales: Deepak Bhatt, Senior General Manager (National Sales); Vipin Bagga, General Manager (Operations); Rajeev Gandhi, Deputy General Manager (North),
Yogesh Godhanlal Gautam, Deputy Regional Sales Manager (West),
S. Paramasivam, Deputy Regional Sales Manager (South)

Vol. 32, No. 12, for the fortnight May 29, 2023 to June 11, 2023. Released on May 29, 2023.

● Editorial Office: India Today Mediaplex, FC 8, Sector 16/A, Film City, Noida-201301; Tel: 0120-4807100; Fax: 0120-4807150 ● Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001; Tel: 0124-4948400; Fax: 0124-4030919; Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013; Tel: 022-66063355; Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018; Tel: 044-28478525; Fax: 044-24361942; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071; Tel: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad: 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel: 079-6560393, 079-6560929; Fax: 079-6565293; Kochi: Karakkatt Road, Kochi-682016; Tel: 0484-2377057, 0484-2377058; Fax: 0484-370962
● Subscriptions: For assistance contact Customer Care India Today Group, C-9, Sector-10, Noida (UP) – 201301.
Email: wecare@intoday.com | Phone / Whatsapp: +91 8597 778 778 (Monday to Friday, 10 am-6pm)

● Sales: General Manager Sales, Living Media India Ltd, C-9, Sector 10, Noida (U.P.) - 201301; Tel: 0120-4019500; Fax: 0120-4019664

© 1998 Living Media India Ltd.
All rights reserved throughout the world. Reproduction in any manner is prohibited.

● Printed & published by Manoj Sharma on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at F-26, First Floor, Connaught Place,New Delhi-110001.

Editor: Sourav Majumdar

● *Business Today* does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/ New Delhi only.

For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000
www.syndicationstoday.in

CONTENTS

June 11, 2023 | Volume 32 | Number 12

THE TURNAROUND MAN

HOW GAUTAM SINGHANIA BROUGHT RAYMOND OUT OF THE RED, PUT TOGETHER A CRACK TEAM AND IS FASHIONING A NEW GROWTH PLAN FOR THE FUTURE

+ INTERVIEW | 40

COVER STORY 30

PHOTO BY **MANDAR DEODHAR**

COVER PHOTO BY **BANDEEP SINGH**

8 | PHOTOGRAPHIK

Let it Rain

With the southwest monsoon expected to hit the Kerala coast on June 4, stubborn inflation is expected to cool down

10 | POINT

Energised

A worldwide slowdown is a real possibility. However, the latest consumption figures of energy show that the Indian economy is far from any slowdown

12 | THE BUZZ

A Note Retires

The RBI's move to recall ₹2,000 notes does have the potential to cause ripples in some sectors of the economy

14 | THE BUZZ

Stormy Weather

The ongoing crisis in the aviation industry will have to be judiciously managed to prevent its long-term impact on the sector

48 | BFSI

The Persuaders

A *BT* investigation gives a ringside view of the dark underbelly of the consumer loan recovery business

LIC's NEW GROUP LEAVE ENCASHMENT PLAN

UIN : 512N282V03

Holidays are now more enriching.

Salient Features:

- Scientific funding of Leave Encashment liability
- Guaranteed interest rate
- Benefit of insurance protection

Attract and retain talent with LIC's group schemes

Contact through https://lmspgs.licindia.in/ilead or email id- groupbusiness@licindia.com

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDAI clarifies to public that • IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums. • IRDAI does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.

Follow us : YouTube LIC India Forever

IRDAI Regn No. : 512

LIC

भारतीय जीवन बीमा निगम

LIFE INSURANCE CORPORATION OF INDIA

www.licindia.in

For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.

LIC / AR/ 20-21/02/Eng

PRIVATE EQUITY **62**

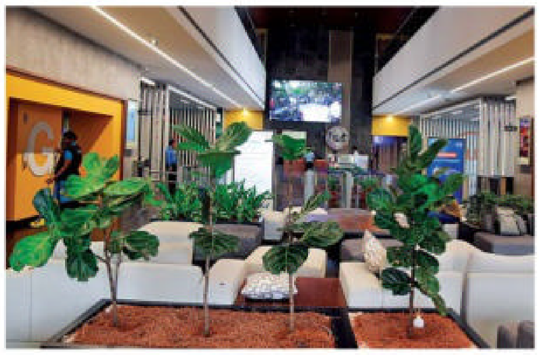
Money-Pal

Temasek's deal to acquire a majority stake in Manipal Health points to the rising trend of PE firms buying controlling stakes in India's healthcare space

THE BT INTERVIEW **68**

'Disruption can be turned into an opportunity'

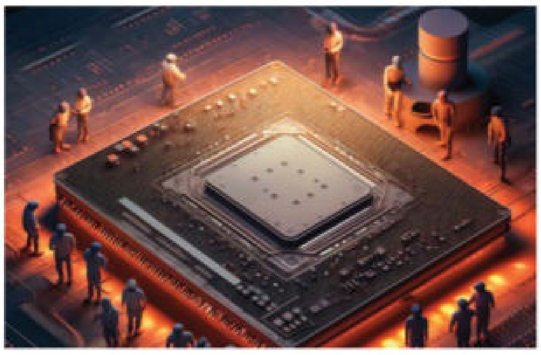
Puneet Chhatwal, MD & CEO of IHCL, explains why it is important for hotels to be present across segments in India



START-UPS **74**

The Great Enabler

With the world's largest innovation campus at its disposal, T-Hub is beginning to play a pivotal role in turbocharging Hyderabad's start-up ecosystem



SEMICONDUCTORS **82**

Fab Jobs

With the shortage of semiconductor talent only expected to get worse, India is racing to reskill its talent pool to fulfil the burgeoning demand

MARKETS **90**

A Shrinking Tribe

The recent volatility witnessed on the bourses has slowed the retail investor's rush into India's equity markets

EDTECH **96**

The Millionaire Teachers

Tech has transformed the education ecosystem, giving birth to teacher *crorepatis*. Sustaining the dream run, however, is becoming tough for them

FOCUS / An IMPACT Feature

From time to time, you will see pages titled "Focus", "An Impact Feature", or "Advertorial" in *Business Today*. These are no different from an advertisement and the magazine's editorial staff is not involved in their creation in any way.

102

MONEY TODAY

A Vacation From High Forex Rates

Here are some tips for you to get favourable forex rates while travelling abroad

106

THE GOOD LIFE: TRENDS

Shades of Glory

Keep your eyes safe and look fashionable at the same time with our pick of this season's sunglasses

110

TECH TODAY

Easy Tripper

In the second part of a series, we bring you some travel accessories for a smooth trip

For the latest updates and analysis, log on to *businesstoday.in*

AXIS BANK

If your wealth manager is looking only at your assets,
he might just be your biggest liability.

Experience The Power Of One.

**Most wealth managers lack a bank's extensive resources to handle your liabilities.
Our wealth experts have the power of a leading bank at their disposal.
Your business and personal wealth, managed masterfully, so you can stay on top of your wealth.**

Burgundy
Private

Private Banking by Axis Bank

To know more

Trust & Estate Planning | Family Office Solutions | Portfolio Advisory | Lending Solutions | Banking Solutions

T&C apply

PHOTOGRAPHIK

PHOTO BY **GETTY IMAGES**
Text by **RAHUL OBEROI**

NOTE Rainfall <90% of LPA: Deficient; 90-95%: Below Normal; 96-104%: Normal; 105-110%: Above Normal; and >110%: Excess rainfall

SOURCE IMD, REUTERS

LET IT RAIN

WITH THE SOUTHWEST MONSOON EXPECTED TO HIT THE KERALA COAST ON JUNE 4, THE AGRICULTURE-DEPENDENT INDIAN ECONOMY—THE FIFTH-LARGEST IN THE WORLD—HOPES THAT STUBBORN INFLATION WILL COOL DOWN. A LOOK AT THE KEY NUMBERS

96

PER CENT

The percentage of the long-period average (LPA) rainfall India would get this monsoon season, the IMD forecasts

35

PER CENT

Probability of a normal monsoon this year, compared to a likelihood of 29 per cent below normal and 22 per cent deficit rainfall

75

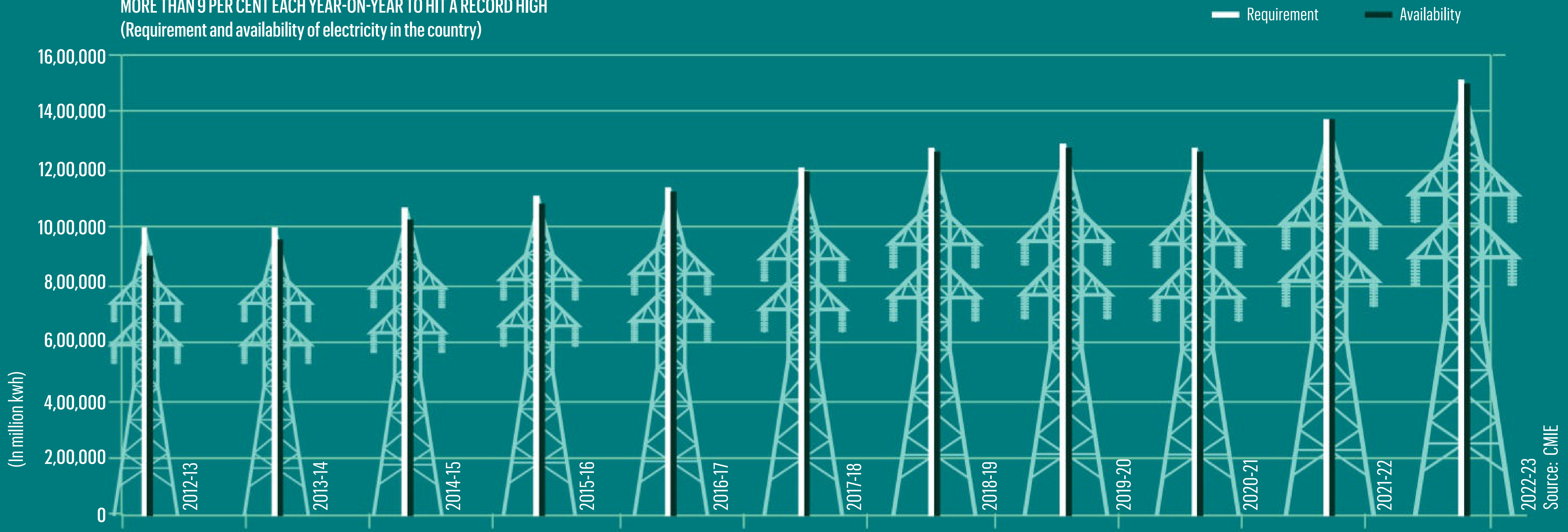
PER CENT

The percentage of total rainfall India receives during the monsoon season, which irrigates over 50 per cent of its farmlands

POWER PLAY

IN FY23, DEMAND AND AVAILABILITY OF ELECTRICITY IN THE COUNTRY GREW BY MORE THAN 9 PER CENT EACH YEAR-ON-YEAR TO HIT A RECORD HIGH

(Requirement and availability of electricity in the country)



Source: CMIE

ENERGISED

By **PRINCE TYAGI** and **RAHUL OBEROI**

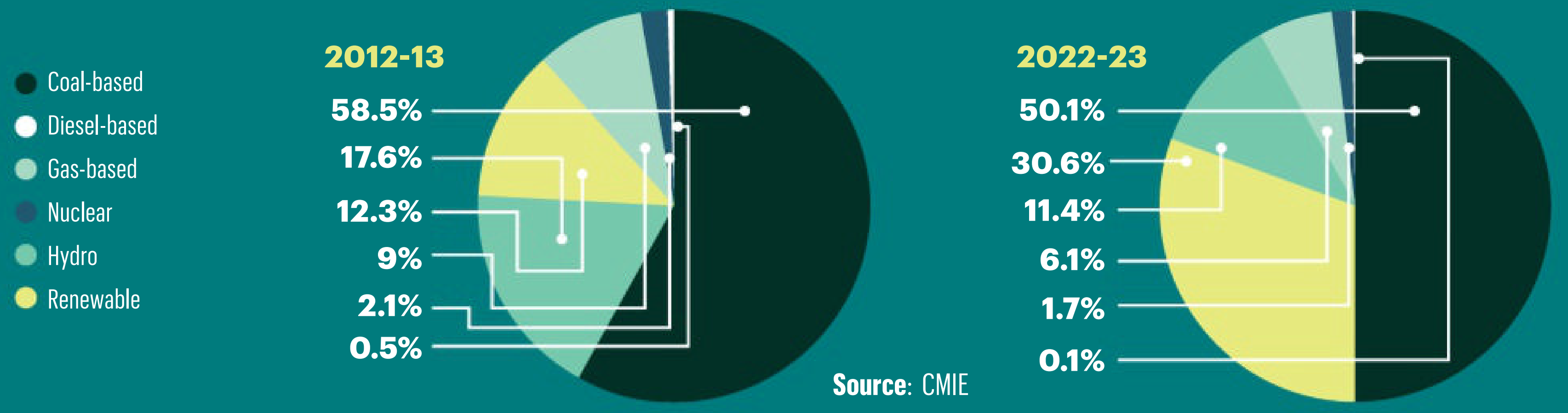
Graphics by **RAJ VERMA**

A worldwide slowdown or recession is a real possibility, given the current state of the global economy. However, the latest consumption figures for coal, petroleum products, natural gas and electricity showed that the Indian economy is far from any slowdown. Here's what the charts have to show:

GREEN POWER

THE SHARE OF GREEN ENERGY IN OVERALL POWER GENERATING CAPACITY HAS GROWN 2.5 TIMES IN THE PAST 10 YEARS

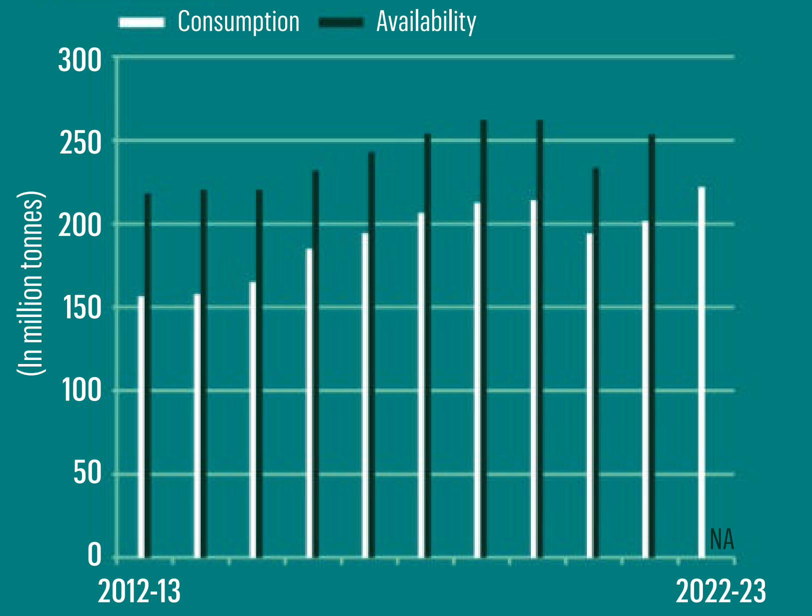
(Total installed generating capacity in the country)



Source: CMIE

A NEW HIGH

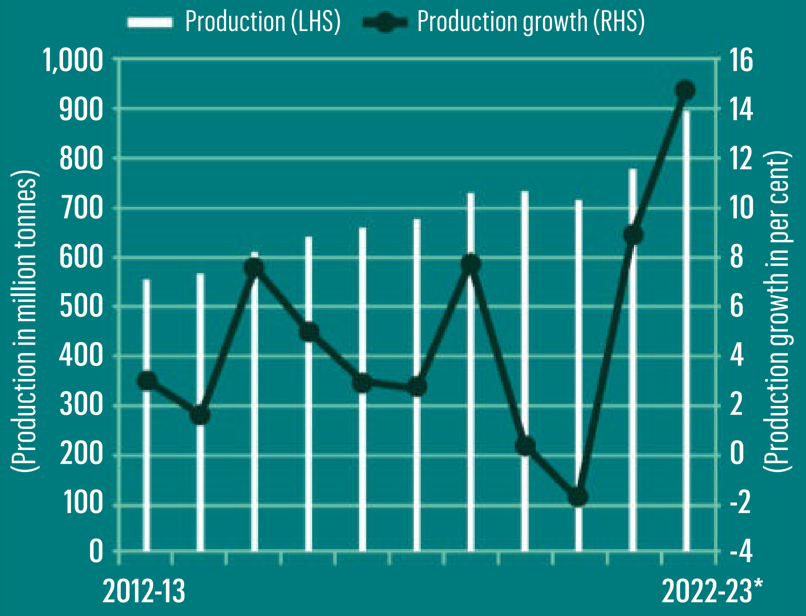
THE CONSUMPTION OF PETROLEUM PRODUCTS HIT A RECORD 222 MILLION TONNES IN FY23, UP NEARLY 42 PER CENT IN 10 YEARS, THANKS TO THE BOOMING ECONOMY



Note: Petroleum products include high-speed diesel, motor spirit, LPG, petroleum coke, bitumen and asphalt and light diesel oil, among others. NA: Not available. **Source**: CMIE

THE DARK KNIGHT

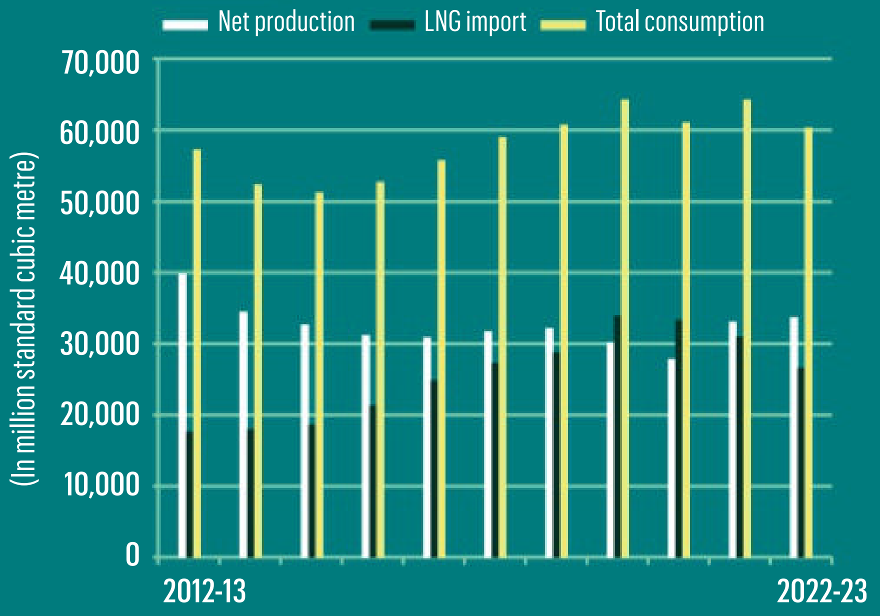
RAW COAL PRODUCTION REACHED AN ALL-TIME HIGH OF 892.2 MILLION TONNES IN FY23 DUE TO RISING ELECTRICITY DEMAND AND INDUSTRIALISATION



*Provisional figure from the government
Source: CMIE

THE DASH FOR GAS

IN FY23, THE TOTAL PRODUCTION OF NATURAL GAS HIT ITS HIGHEST LEVEL IN NINE YEARS



Note : Net production is derived by deducting gas flared and loss from gross production by producing companies. **Source**: Petroleum Planning & Analysis Cell

700.4
million tonne

ANNUAL PRODUCTION OF COAL INDIA LTD IN 2022-23; THIS IS FOR THE FIRST TIME IN 17 YEARS THAT THE COMPANY SURPASSED ITS ANNUAL PRODUCTION GOAL OF 700 MT

1,750
billion units

THE ELECTRICITY GENERATION TARGET FOR 2023-24, COMPARED TO THE PROVISIONAL FIGURE OF 1,624.16 BILLION UNITS IN 2022-23, PER POWERMIN.GOV.IN

9,231.63
GWh

TOTAL EXPORT OF ELECTRICITY IN 2021-22 (PROVISIONAL) COMPARED TO 153.53 GWH IN 2012-13— A COMPOUND ANNUAL GROWTH RATE OF 57.64 PER CENT, SHOWS MoSPI DATA

य रिज़र्व बैंक
सरकार द्वारा प्रत्याभूत
511073
₹2000

A NOTE RETIRES

The RBI's move to recall ₹2,000 notes, while largely along expected lines, does have the potential to cause ripples in some sectors of the economy

BY **ANAND ADHIKARI**

▶ **KILLING BY HANGING** or injecting a lethal dose has the same effect!" A former senior official of the Reserve Bank of India provided the insightful analogy in a LinkedIn post. This aptly describes the future of the ₹2,000 notes. RBI recently set in motion a policy to completely take out these currency notes from the system. "They were issued as a stop-gap measure," says Vimal Kumar, Associate Professor at IIT Kanpur, who has written research papers on black money. In fact, the signs of the impending decision were visible much earlier. For instance, their numbers had started falling within two years of their introduction.

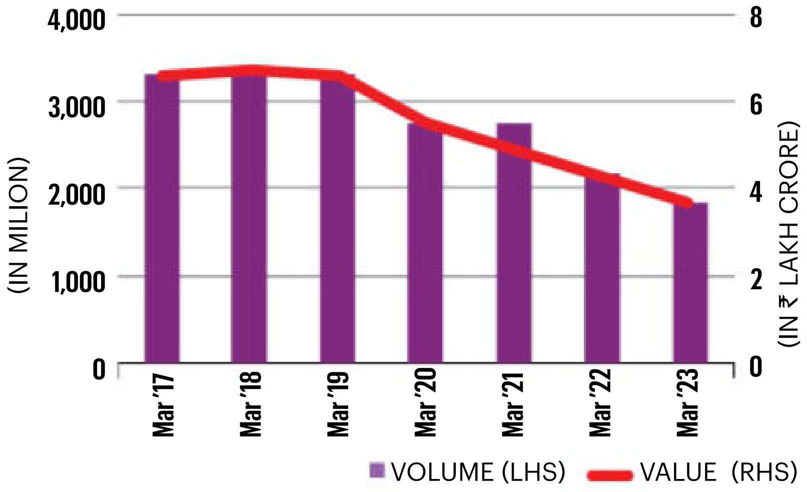
Per RBI's annual report, the number of ₹2,000 notes fell from 3.36 billion pieces in March 2018 to 1.81 billion pieces in March 2023. (*See box*). In value terms too, it has almost halved from ₹6.51 lakh crore to ₹3.62 lakh crore in six years. "This approach represents a well-structured method of implementing such a measure while minimising disruptions to both the general public and the industry," says a private banker on condition of anonymity.

The numbers in the RBI annual report also indicate their gradual disappearance from the banking system, with ATMs rarely dispensing them, and even banks struggling to acquire them. "This denomination did not have major use cases. Though unusual uses, such as in stacking unaccounted cash, cannot be denied," says Manas Paul, Professor of Economics, Environment and Policy at IMT, Ghaziabad.

But why were such high denomination notes issued in the first place? It was a critical requirement when ₹500 and ₹1,000 notes were demonetised in November 2016 as they constituted almost 86 per cent of the currency in circulation at that time. And RBI's capacity to print new currency notes was limited. Although not a natural choice, the ₹2,000 notes helped push more liquidity into the system. Per RBI, when the market had sufficient new

TRACKING THE MONEY

CIRCULATION OF ₹2,000 NOTES HAS DECLINED OVER THE YEARS



SOURCE RBI'S ANNUAL REPORT

₹500 notes, the liquidity objective was achieved.

Vimal Nadar, Head of Research at real estate services firm Colliers India, says that recalling the ₹2,000 notes "will have an impact on high-value real estate transactions." It will also impact sectors like gems & jewellery, MSMEs, the movie business, agriculture, and other informal sectors. But will it stop the generation of black money? "Black money cannot be stopped or managed by changing denominations. There are ways to shift into other denominations or forms of assets. It was proved in 2016," says Paul. The hoarding of currency will now shift to ₹500 notes, suggest many experts.

The RBI had presumably been waiting for the proper level of ₹2,000 notes in the economy before announcing the current recall. The ₹3.62 lakh crore present in the economy today constitutes only 10.8 per cent of the notes in circulation as on March 31, 2023. "They must have targeted 10 per cent as the most suitable level to decide to withdraw the currency," says an expert.

People are unlikely to experience any significant inconvenience as the notes represent only a small fraction of the currency used in day-to-day transactions.

Second, the Unified Payments Interface (UPI) has witnessed substantial growth over the past six years, with almost one-fifth of total retail payments happening through the platform. One of the objectives of issuing new notes was to discourage fake and counterfeit notes. But the market soon had fake notes of ₹2,000 in circulation despite the additional security features. According to RBI's data, the total number of counterfeit notes were at 17,020, 8,798 and 13,604 notes, in 2019–20, 2020–21, and 2021–22, respectively.

While the RBI's current move is not like the demonetisation of currency notes announced in 2016, in the sense that ₹2,000 notes continue to be legal tender, those holding them in large numbers may have to explain their source when they deposit or exchange them.

The RBI in consultation with the government will have to take a call on the future of such notes post the deadline of September 30, 2023 for exchanging or depositing such notes at banks. If a large quantity remains in the system, it may extend the deadline or revoke the legal-tender status of the notes. "We have given a deadline of September, so that the process will be taken seriously. We can't leave it open-ended," said RBI Governor Shaktikanta Das at a media briefing on May 22, adding that people should view the move as part of the central bank's currency management exercise and that the notes had completed their life cycle.

Another aspect of the recent move is whether it will help the banking system and the economy. Although it is not expected to impact economic activity as the previous demonetisation exercise did, common people might react differently to such moves. Arvind Chari, Chief Investment Officer of Q India (UK), an affiliate of portfolio management firm Quantum Advisors, says repeated activities of this nature create a sense of distrust among people in holding cash. This may lead common people, who do not indulge in black money generation, to choose to not hold cash. That may mean using cash to buy other asset classes like gold.

Anil Gupta, Senior VP at ICRA says the move will marginally aid the deposit growth of the banks as these notes form just 2 per cent of their overall deposit base of more than ₹184 lakh crore. "This could help the banks calibrate their deposit rate hikes in the near term, as deposit growth has lagged credit growth."

From a global standpoint, India's highest denomination currency will be of ₹500, which is equivalent to around £5 or $6. The commonly used currency in the US or the UK has a denomination of 20. On a purchasing power parity basis, the ₹500 note works out to around £20 or $23. "This seems okay," says Chari. The ₹2,000 note has then, truly, had its run. **BT**

@anandadhikari

THE ROAD AHEAD

A growing economy needs higher denomination notes

Black money generation may continue in other assets and ₹500 notes

More measures needed to check counterfeit notes

RBI may push digital payments by offering incentives to banks and payments players

Stormy Weather

The ongoing crisis in India's aviation industry will have to be judiciously managed to prevent its long-term impact on the sector's growth prospects

BY **MANISH PANT**

AT A CURTAIN-RAISER recently to announce the next edition of Asia's largest civil aviation event, Wings India 2024, Rémi Maillard, President of Airbus India and MD of South Asia, raised eyebrows when he described the Mumbai-based low-cost carrier (LCC) Go First's bankruptcy filing as a "depressing development". The event was attended, among others, by Jyotiraditya Scindia, Minister of Civil Aviation, the entire top brass of the Ministry of Civil Aviation, and members of the diplomatic corps. Maillard's assessment was in sharp contrast to the usually bullish forecasts put out by the Toulouse-based plane-maker on India, the world's fastest-growing aviation market.

Go First, which was operating with an all-Airbus fleet, filed an application for voluntary insolvency with the arbitrator, the National Company Law Tribunal (NCLT) on May 2, and suspended all flight operations, taking the global aviation industry by surprise. Promoted by the over 250-year-old Wadia Group, the airline has cited troubles with engine-maker Pratt & Whitney's next-generation engines as the reason behind the grounding of its entire fleet. Soon after the news broke, experts told *Business Today* that the development might create a negative perception of the Indian aviation market. With more than 40 aircraft still on lease to Go First, leasing firms are literally waiting in the wings to repossess their aircraft.

TROUBLE IN THE AIR

1. ▸ With the suspension of flights by Go First and the revival of Jet Airways now in limbo, market sentiment has been negatively impacted
2. ▸ Airfares, especially on routes serviced by Go First, have jumped due to capacity contraction
3. ▸ A rise in lease rentals and insurance premiums paid by Indian carriers is likely to make air travel costlier
4. ▸ A prolonged crisis may affect the country's plans to develop allied activities such as MRO infrastructure and aircraft leasing
5. ▸ In the case of Go First going bust, ground handling jobs will be particularly impacted

Maillard believes that in the aftermath of the recent developments at Go First, the country's regulations need to be in sync with international frameworks. "The industry hopes the Government of India will expedite the alignment of domestic laws with international conventions and treaties to ensure that the [aircraft] lessors' confidence in the market does not dip." Due to NCLT's moratorium on Go First's financial obligations and transfer of assets, lessors are unable to deregister and take back their aircraft. A plea by lessors challenging NCLT's moratorium was dismissed by the National Company Law Appellate Tribunal (NCLAT). Now, leasing firms are expected to seek an urgent hearing by a vacation bench of the Supreme Court over fears of parts from their aircraft assets being cannibalised by the airline.

"The awfully long duration of the moratorium under the Insolvency and Bankruptcy Code is also in contrast with the provisions of the Aircraft Protocol of the Cape Town Convention. Questions are also being raised about India's commitments to international obligations under the Convention, while it continues to be one of the riskiest jurisdictions in the world when it comes to aircraft leasing and financing," says Ajay Kumar, Managing Partner at law firm KLA Legal. Even as this may result in Indian carriers paying a high-risk premium, it also puts a

MIT Art, Design & Technology University, Pune, India.

MIT-ADT UNIVERSITY
PUNE, INDIA
A leap towards World Class Education

ADMISSIONS OPEN 2023-24

The New Age University for **INNOVATION & ENTREPRENEURSHIP**

School of Corporate Innovation for Employability Enhancement

Atal Incubation Centre for Startup & Entrepreneurship

School of Holistic Development

37+	600+	61 LPA	7.5 LPA	23+
STARTUPS	MAJOR RECRUITERS	HIGHEST PACKAGE	AVERAGE PACKAGE	FOREIGN UNIVERSITIES COLLABORATION

B.Tech. | M.Tech. | M.Tech. (Integrated)

Computer Science & Engineering (CSE) (Specializations Offered)

intel · tcs iON · Xebia · aws · AATCE

Computer Science & Engineering (CSE) | Artificial Intelligence and Analytics [Association with TCSiON] | Artificial Intelligence and Edge Computing [Association with Intel] Cyber Security and Forensics | Cloud Computing [Powered by AWS]
Big Data and Cloud Engineering | Blockchain Technology

Information Technology (Specializations Offered)

Information Technology (IT) | Data Analytics (Association with TCSiON)
Software and Mobile Application Development
(Association with APPLE ATC)

Aerospace Engineering

Mechanical Engineering (Specializations Offered)

Robotics & Automation Engineering | Electric Vehicle Engineering
Design Engineering | CAD/CAM | Artificial Intelligence and Robotics

Electronics & Communication Engineering

Electronics & Communication Engineering
Electronics & Computer Engineering | Microelectronics & VLSI Design
Electrical & Electronics Engineering

Civil Engineering (Specializations Offered)

Civil Engineering | Structural Engineering | Transportation Engineering
Environmental Engineering | Construction Engineering & Management

M.Sc. - Computer Science | Chemistry (Advanced Organic & Medicinal)
Applied Statistics | Industrial Mathematics with Computer Applications

Merchant Navy Courses

B.Tech. Marine Engineering | B.Sc. Nautical Science

Bioengineering Sciences

B.Tech. Bioengineering Sciences | M.Tech. Bioengineering (Integrated)
M.Tech. Environmental Bioengineering | M.sc. Industrial Biotechnology

Food Technology

B.Tech. & M.Tech. - Food Technology
M. Tech. (Food Safety & Quality Management)

MIT School of Indian Civil Services

B.A. I M.A. - Administration

4 STAR RATING
★★★★
HIGHEST RATING
BY THE MINISTRY OF EDUCATION'S INNOVATION COUNCIL, GOVT. OF INDIA 2021

RANKED IN
BAND EXCELLENT
FOR ARIIA 2021 BY THE MINISTRY OF EDUCATION GOVT. OF INDIA.

MIT College of Management

MBA - General | Agri & Food Business
Project & Construction Management
Supply Chain Management | Healthcare Management
Port & Shipping Management | Event Management
M.Tech. Construction Management
BCA | MCA - Data Science | Cloud Computing
BBA- General | IB | Computer Application
Digital Marketing | Finance Technology
Business Analytics | Finance & Accountancy *(ACCA, UK)
Event Management | Real Estate Management
BBA-Global | B.Com. (Hons.)

Broadcasting & Journalism

B.A. | M.A. - Journalism & Mass Communication

Architecture

B.Arch. | M.Plan - Urban and Regional Planning
M.Arch. -Traditional Indian Architectural Knowledge System

Film & Television - B.Sc. I M.Sc.

Film Making | Cinematography | Sound Recording & Design
Direction & Screenplay Writing | Visual Effects and Motion Graphics | Drama - B.A. - Dramatic Arts

Performing Arts & Fine Arts

BPA I MPA - Music | Dance | Instruments
BFA I MFA - Applied Arts | Fine Arts | Sculpture | Art Therapy

Institute of Design

Post Graduate Diploma - Innovation (1yr)
Automotive Sculpting Clay & Digital (2 yrs)

Education & Humanities

B.Ed. | M.A. Education | B.A. (Hons.) English
M.A. English | M.A. / M.Sc. E-learning

Vedic Sciences

B.Sc. - Hons. Psychology | M.Sc. - Clinical Psychology
M.Sc. - Vedic Science | M.A. - Sanskrit

Comp /IT : 9021080155
Mech /ECE /Aero /Civil : 9021080109
Mgmt.: 9021080157

FOR ADMISSIONS CALL

WIN up to 100% Scholarship Assistance

Apply Online on
mituniversity.ac.in/

Bio-Engg.: 9021080112
Architecture: 9021080154
B.Sc. & M.Sc.: 7066995599
Institute of design: 9503900010
General Enquiry: 9595124234

Performing/Fine Arts: 9021080118
Education: 8657124234
Food Tech.: 9021080141
Humanities: 7888051261
Merchant Navy: 9595996611

Vedic Sciences: 9595088070
Films & TV: 9021080127
MIT SICS: 7618771921
PERA Exam: 9606046968
Broadcast & Journ.: 9021080128

Apply Now
Follow us on

Vishwarajbaug, Solapur-Pune Highway, Loni Kalbhor, Pune - 412 201, India.

PHOTO BY **GETTY IMAGES**

IndiGo
VT-IKX
GO FIRST
VT-WDB
AIRBUS A320

A COSTLY AFFAIR Passengers are already paying a fortune for air travel on sectors where Go First had flights

question mark on the country's ambitions of making GIFT City near Ahmedabad a global aircraft leasing and financing hub.

On May 12, the not-for-profit Bermuda-based Aviation Working Group (AWG) comprising global aviation equipment manufacturers, leasing firms and financial institutions, issued a watch list notice on Go First.

TICKET TRAJECTORY

Prior to Go First filing for voluntary insolvency, Jet Airways had gone belly up in 2019. At that time, the full-service carrier used to operate a fleet of 123 aircraft, and enjoyed coveted slots both at domestic and international airports. "Two airlines going belly up in such quick succession indicates that all is not well with India's aviation sector, despite a robust recovery post the Covid-19 pandemic," says KLA's Kumar.

Last year, there was tremendous expectation of Jet Airways reviving under a new management. But, following the exit of its CEO and other core team members, the plan is in limbo again. "We are all aware of the massive orders being placed by Air India as well as IndiGo. This is in stark contrast with the Jet and Go First situation," he adds.

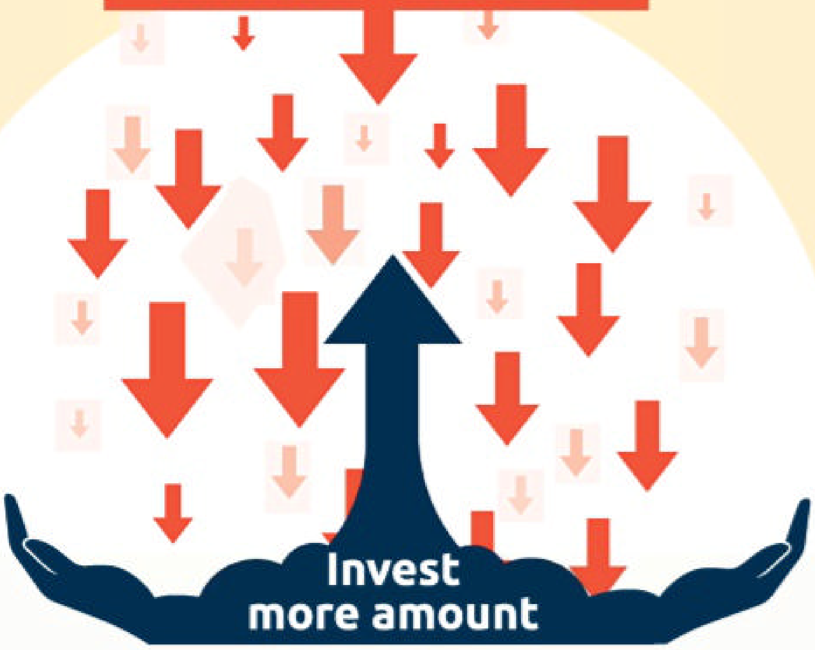
Meanwhile, passengers are already having to cough up a fortune for air travel on sectors where Go First had flights. Unless the void created by the airline's near demise is bridged quickly, ticket prices will continue to soar due to a virtual duopoly enjoyed by market leaders IndiGo and Air India. "Airfares have gone up two to three times, with the result that people have been cancelling bookings since they are unable to rebook at the prices that Go First was offering," says Jyoti Mayal, President of Travel Agents Association of India (TAAI). "Beyond that,

BOOSTER SIP

Bandhan
Mutual Fund

Boost your investment through Booster SIP

When markets fall



Benefits of taking the Booster SIP Route of investing

- Opportunity to benefit from the market volatility
- Helps remove investors dilemma from making decisions
- Aids to leverage the opportunity to buy more units and invest more amount

Scan the QR Code to Boost your SIP

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

LESSORS ARE UNABLE TO TAKE BACK THEIR AIRCRAFT DUE TO NCLT'S MORATORIUM ON GO FIRST'S FINANCIAL OBLIGATIONS

travel agents' money is also locked, putting many of them at risk."

Another section impacted is the Go First employees, as the carrier wants its personnel to serve notice periods ranging from six to 12 months before they are officially relieved. "The worst affected are pilots who are being treated as an asset by the airline. Other than them, they have no other assets as all the aircraft are on lease," says aviation industry veteran Shakti Lumba. "However, the guys who will get the worst hit are the ground staff, for they will be left high and dry."

Despite these hiccups, the Indian aviation growth story is expected to remain intact, with the forecast of a steady increase in air traffic over the next few years. Experts also say the current spike in ticket prices is a short term phenomenon, and it will start cooling down with the evolving demand-supply situation. "Over the medium term, we could see some additional risk pricing that may be charged by the lessors from Indian carriers. Also, the concerted effort to develop the overall aviation ecosystem, like MRO hubs and giving impetus to aircraft leasing origination in India could hit a pause button," says Jagannarayan Padmanabhan, Senior Director at CRISIL Market Intelligence. The government and the regulator will need to take some serious lessons from the crisis. **BT**

@manishpant22

| ADANI GROUP |

Back to the Market

The decision to raise fresh funds through the QIP route is yet another move by the Gautam Adani-led Adani Group to send a strong signal to investors

BY **ASHISH RUKHAIYAR**

PHOTO BY **GETTY IMAGES**

▶ **THE FUNDAMENTALS AND** the business prospects of Adani Group firms have not changed despite all the allegations made by Hindenburg," says Deven Choksey, Promoter of KRChoksey Group. A market veteran who has seen the fortunes of many a company flounder or prosper over the years, Choksey would know. The Adani Group has been in the news for most of 2023, primarily due to a damaging report put out by short-seller Hindenburg Research that pushed all the group firms' stock prices into free fall.

Despite that, these firms are carrying on with business as usual. Recently, some have even announced plans to raise fresh funds, a feat they couldn't have achieved earlier this year after the Hindenburg episode forced it to withdraw the ₹20,000-crore follow-on offer (FPO) of Adani Enterprises.

Now, Adani Enterprises and Adani Transmission have secured Board approvals to raise a total of ₹21,000 crore by way of qualified institutional placements (QIP), where new shares are issued to select institutional investors to raise funds. That's not all. The Board of Adani Green Energy is also scheduled to meet on May 24 to approve a fund-raising plan to the tune of ₹5,000-7,000 crore, according to market sources.

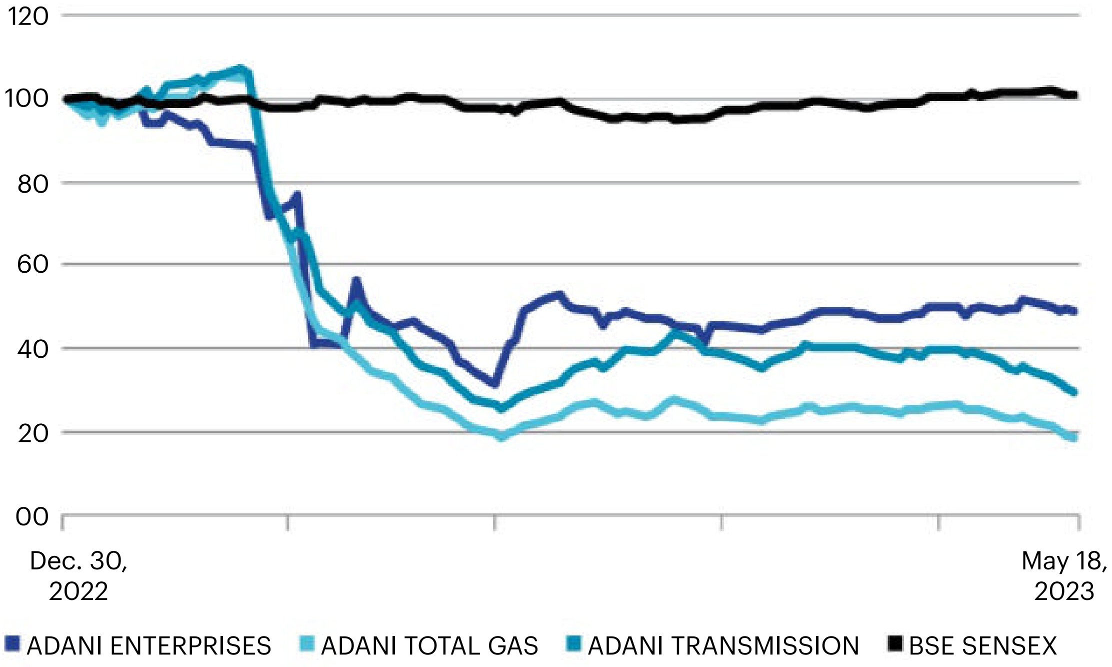
Incidentally, the QIP will see promoter entities further dilute their stakes in the group firms as it will comprise entirely of a fresh issuance of shares. This assumes significance as the latest round comes soon after the US-based GQG Partners had bought shares worth $1.87 billion in four group firms from the Adani Family Trust in March 2023.

Meanwhile, the decision to raise funds through the QIP route is yet another measure by the Gautam Adani-led business house to send a strong signal to the markets—that the Hindenburg issue or the ongoing developments at the Supreme Court will not hamper its business plans. Interestingly, the past few months have seen the conglomerate repay its bondholders and release share pledges worth a total of $3 billion.

Market participants further say that recent roadshows, with institutional investors, bankers and bondholders, have seen the group claim that it will achieve an Ebitda growth of 20 per cent.

RETURN TO STABILITY

The stock prices of the Adani Group firms that are raising money have stabilised



GRAPH NORMALISED TO THE BASE OF 100; **SOURCE** ACE EQUITY

ADANI GROUP'S DECISION TO RAISE FUNDS SIGNALS THAT IT WILL NOT DEVIATE FROM ITS BUSINESS PLANS

The last quarter (Q4FY23) numbers of all the listed group entities that have reported their results have been strong, with most of them beating street estimates. Moreover, if shareholding details of the Adani firms are anything to go by, it seems that investors have also shown confidence in the group, with the quantum of retail investors' stake in all the nine listed firms having increased between December 2022 and March 2023. Foreign portfolio investors, meanwhile, have upped their stakes in four entities, while paring it in five, even as mutual funds continue to stay away from most of the group companies. Barring the recently-acquired ACC and Ambuja Cements, and Adani Ports & SEZ to some extent, mutual funds have largely stayed away from other Adani Group companies. Still, the March 2023 quarter saw mutual funds reduce their holdings in Adani Enterprises, Adani Ports, Adani Green Energy and Ambuja Cements.

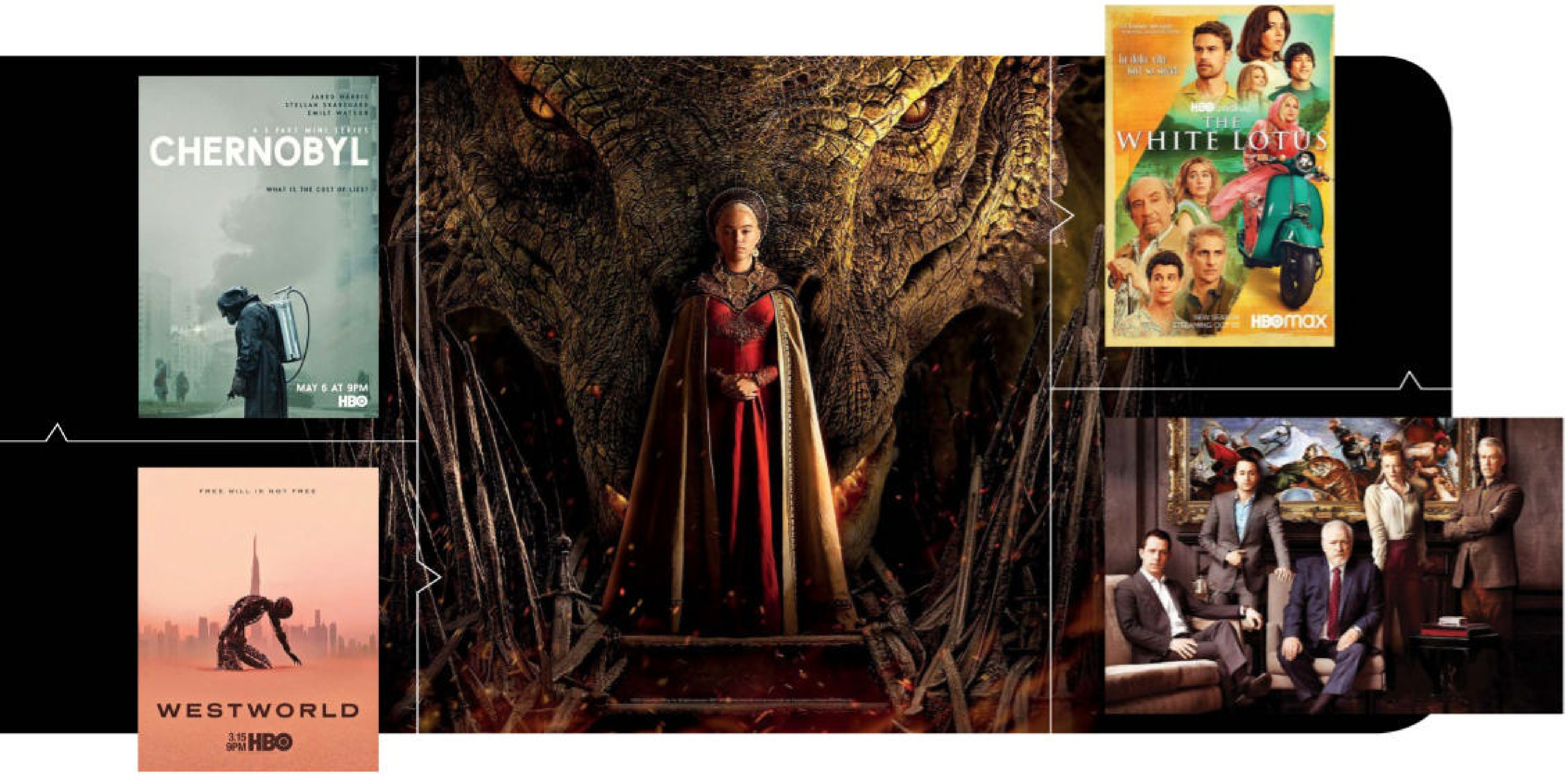
While it is a given that the group would have found the going much easier had the Hindenburg report not hit, it has largely focussed on maintaining a steady pace of operations to calm the frayed nerves of its stockholders. "The kind of fundraising that they are doing now is part of the business targets that they have set for themselves. It has nothing to do with the Hindenburg matter," says Choksey. "Under normal circumstances as well, they would have come to the market to raise funds, though they would have done it at a different price."

Going ahead, the markets would be keenly following the group firms' results to see how they have performed in the quarter that was marred by the Hindenburg allegations, which led to over $100 billion in investors' wealth being eroded in the span of a few days.

Interestingly, the report of the Supreme Court-appointed expert committee is being looked upon as a positive for the conglomerate as it does not have any significant adverse remarks or finding against the firms. That is despite the fact that capital markets regulator Securities and Exchange Board of India has said that some foreign investors of the group are under the scanner. But it has added that it has not found any pattern of artificial trading yet.

Not surprisingly, the analyst community is rallying firmly behind the group, highlighting the strong fundamentals and robust potential of its businesses. **BT**

@ashishrukhaiyar



STREAMING

JioCinema: Everything, Everywhere, All at Once

With HBO in its corner and a premium plan, JioCinema is ready to take the fight to global OTT giants

BY **PRERNA LIDHOO**

▶ **DID YOU HEAR?** HBO content just moved from Disney+ Hotstar to JioCinema. But you'll have to shell out ₹999 to access JioCinema Premium—annually, of course. What this means is that Jio—that saw millions of users flocking to its platform after it started free live streaming of sports tournaments like FIFA World Cup Qatar 2022 and Indian Premier League 2023—wants its finger in every pie; it is offering free content through advertising-based video-on-demand (AVOD) for its live streaming content, as well as attracting new viewers for its premium content. It recently announced a slate of 100 original series and movie titles, and a paid subscription for premium content that has HBO shows like *Succession*, *The Last of Us*, etc.

Experts say this is a smart move as on the one hand, pure-play AVOD isn't sustainable for OTT players. On the other, there are premium subscribers who want an ad-free experience and are willing to pay for it. Now, as the platform goes paid, it offers viewers the ability to watch on up to four devices simultaneously, a library of Hollywood movies and TV shows, including high-quality video and audio, all ad-free. While the free streaming of sports tournaments brought audiences to the platform, the premium plan will help build loyalty. "The free live streaming of IPL has ensured that JioCinema consumption grew substantially in April 2023, while its average daily engagement reached 50 minutes," says Mihir Shah, VP at Media Partners Asia (MPA), a market research firm. "But sustained viewership levels will remain critical in the absence of IPL... especially as it has increased investments in local and premium international content."

Consumers watching global content definitely don't want to watch ads, and hence most premium streaming platforms have an ad-free offering that JioCinema is now targeting. Meanwhile IPL, currently being offered for free, has helped Jio gain traction among viewers who may find it difficult to pay for a subscription, and who are used to free services like YouTube. But an ad-free SVOD model with HBO content and Jio's own original content will help them target the premium households. In short, JioCinema wants to be everything, everywhere, all at once.

Per MPA, to make sure it maintains its growth and scale in the absence of IPL, the platform is all set to scale up in terms of content. “The next 6-12 months will remain critical as platforms strive to balance monetisation and profitability against content investments,” says Shah. Experts also point out that JioCinema’s annual pricing is at the lower end. While Disney+ Hotstar, Amazon Prime Video and Netflix are all priced in the range of ₹1,000-2,000 annually, Jio has stuck to the less-than-₹1,000 mark. Despite that, a report from Elara Capital states there will not be any large-scale paid subscriber base coming to Jio anytime soon as Indian audiences are value-driven and may not pay only for HBO/Warner Bros. content. Jio, the report adds, will have to offer more bundled content to achieve scale.

> **JIO WILL HAVE TO OFFER MORE BUNDLED CONTENT TO ACHIEVE SCALE**

Jio will also be able to leverage its telecom and broadband subscriber base. “It may bundle the HBO/Warner Bros. content free for its premium JioFiber or postpaid mobile subscribers,” says Karan Taurani, Senior VP at Elara Capital.

He adds that SVOD will grow in India by offering bundled SVOD, with factors like password sharing, quality of content, number of devices per account, ad-free content, transcational video-on-demand and mobile-only plans taken into account. Only then will platforms be able to make a significant headway into India’s large market. **BT**

@PLidhoo

| **E-COMMERCE** |

Progress Pangs

With daily order volumes rising on the network, ONDC is looking for ways to sustain the momentum

BY **BINU PAUL**

AI-GENERATED IMAGE BY **VISHAL GHAVRI**

▶ **IN A REMARKABLE** display of progress, the Open Network for Digital Commerce (ONDC) has witnessed a 100x increase in orders within a month, with daily order volumes hitting 20,000-25,000. But, the network confronts many challenges in sustaining its growth momentum.

For instance, it recently announced new caps on incentives for seller apps. A senior executive from a partner app says the limits were imposed as the network had exhausted its monthly budget for incentives, driven by a rapid surge in orders. The revision has now led to a significant decline in orders for network participants. “The drop has been significant. ONDC was not ready for this scale. It is now fixing its issues... to get ready for the next wave,” he says.

People working with buyer apps have confirmed the drop in orders, with some seeing a decline of up to 50 per cent, compared to peak order volumes. While ONDC has released a new incentive structure to bring back the momentum, network participants find the revised incentive structure too complex to implement and communicate to consumers.

“The revised incentive construct is very complex. Earlier it was flat, where ONDC would fund the logistics part with ₹75 per order, and everybody offered free delivery. The revised plan still promises free delivery, but for each seller app, it is capped at a fixed amount,” said another network participant. “Now buyer apps are not sure how soon it will get exhausted and are unable to run a campaign based on it.”

Meanwhile, ONDC is working on an easier incentives structure, likely to be released soon. The upcoming Version 2.0 is expected to fix many issues, to improve delivery times, returns, conflict resolution, etc. Heightened awareness about the network, robust marketing by leading buyer apps, and the imminent launch of Version 2.0 to address specific issues, along with the introduction of additional functionalities and more participants, are expected to fuel the network’s growth momentum. **BT**

@binu_t_paul

WHITE GOODS

Cruel Summer

After two consecutive years of rising rates, prices of home appliances are set to rise again this year

BY **ARNAB DUTTA**

▶ **IF THE RECENT** decline in inflation has got your hopes high, you may be in for a rude shock. Prices of white goods are not coming down anytime soon. In fact, the opposite is likely to happen. White goods makers, which have been steadily increasing their prices over the past two years, are likely to do so this year as well. Prices of consumer durables from ACs and refrigerators to smart TVs and washing machines are likely to go up. A further rise is expected in the second half of FY24 as the prospect of a normal monsoon is less assured.

30
per cent
HIKE IN PRICES OF LARGE-TICKET CONSUMER APPLIANCES SINCE LATE 2020

Since late 2020, when the inflation cycle started, prices of large-ticket consumer appliances like ACs "have increased by more than 30 per cent", says Kamal Nandi, Business Head and Executive Vice President at Godrej Appliances. "The costs had peaked in mid-2022 and since then we have observed some easing in the component prices. However, it is difficult to predict beyond the next three months because the situation remains uncertain."

Another wave of price hikes is on the horizon, says Avneet Singh Marwah, CEO of Super Plastronics that makes and sells smart TVs under the Thomson and Kodak brands. "In the past four months, the prices of [LED] panels have surged by a whopping 30-35 per cent. We are planning to increase prices of TVs by 7-10 per cent from June," he says.

However, AC company Blue Star is not in a mood to raise prices. It expects a

RETAIL

Flying High

Bengaluru, the Silicon Valley of India, is now the high-street shopping capital of the country too

BY **VIDYA S.**

▶ **BENGALURU NOT** only occupies the top slot when it comes to high-street shopping destinations in India, the start-up capital also dominates the list with MG Road, Commercial Street, Brigade Road and Church Street making it to Knight Frank India's annual top 10 retail streets in India.

While MG Road is on top, Somajiguda in Hyderabad, Linking Road in Mumbai and South Extension in Delhi occupy the next three spots, respectively, per the study—of 30 high streets across the top eight markets in India—conducted by the global real estate consultancy.

"High streets are the barometer of the city's worth on an economic platform," says Shishir Baijal, Chairman & MD of Knight Frank India. He adds that a good high street is located close to both residential and commercial hubs. Five other key performance indicators—public transport, parking, store visibility, average trading densities and

ARROW
END OF SEASON
SALE
ARROW

PHOTO BY GETTY IMAGES

PHOTO BY **CHANDRADEEP KUMAR**

NOT SO COOL A home appliances showroom in Noida

harsh summer this year—as forecast by the IMD—to result in more sales. This is important as home appliance firms, including AC makers, have suffered heavily in the last three summers due to Covid-19. In 2021, AC sales fell 10–12 per cent. While the market rebounded to 9 million units a year in 2022 from 8 million in 2019, companies remain cautious as rising prices may deter purchasers. ACs and mass-market refrigerators were also affected by poor rural market demand and intermittent rains over April and May. Nandi says demand for high-end frost-free refrigerators is consistent, but mass-segment direct cool models—that make up 70 per cent of the Indian market by volume—are suffering. AC makers still struggle with low demand. Due to unseasonal rains, Whirlpool's net profit dropped 25 per cent, YoY, in the March quarter. Based on new mid-premium launches and "accelerated cost reduction programmes," Narasimhan Eswar, MD of Whirlpool Of India, expects profitability to rise.

"We hope the situation improves gradually and we are not increasing prices as of now," says B. Thiagarajan, MD of Blue Star. But, not everyone is on the same page. While players like Havells, Samsung, and LG are not ready to reveal their pricing plans for the next six months, sources say prices of home appliances will rise by 6-12 per cent before the festive season begins. Looks like another cruel summer for consumers.

@arndutt

spending quotient—also determine the rank on the list.

"Bengaluru's high streets have a high concentration of food and beverage destinations across sub-formats, with several breweries and drinking holes co-existing with other retailer categories," says Divya Agarwal, VP–Research at Knight Frank India. "Due to its demographic spread... the proportion of non-modern retail remains limited to one-third of Bengaluru's total high street stock, spread across seven prominent high streets. With a two-thirds proportion in terms of the real estate footprint, Bengaluru is the top city amongst modern retail areas across India."

Contrary to popular belief, the top high streets do not command the highest rents. For instance, Bengaluru's four markets charge retailers much lower rent (*see chart*) than New Delhi's Khan Market and Gurugram's DLF Galleria—which are not even in the Top 10. New Delhi's Khan Market (₹1,000-1,500/sq. ft/month), Gurugram's DLF Galleria (₹800-1,200), and Mumbai's Linking Road (₹350-1,000) are the top three high streets in terms of rent.

"As cities in India modernise, we see many high streets reviving as facilities like access, parking, store visibility, etc. have improved. Our estimates say that the average per sq. m revenues of high streets will be significantly higher than those of malls in FY23-24," adds Baijal.

@SaysVidya

SHOP TILL YOU DROP Top 10 high streets in India

RANK	HIGH STREET	CITY	RENTS PER SQ. FT/ MONTH)
1	MG Road	Bengaluru	₹100-125
2	Somajiguda	Hyderabad	₹150-175
3	Linking Road	Mumbai	₹350-1000
4	South Extension–Part I & II	Delhi	₹250-450
5	Park Street and Camac Street	Kolkata	₹300-450
6	Anna Nagar	Chennai	₹150-175
7	Commercial Street	Bengaluru	₹220-250
8	Sector 18 Market	Noida	₹150-250
9	Brigade Road	Bengaluru	₹180-250
10	Church Street	Bengaluru	₹200-250

Source: Knight Frank Research

| PHARMA |

Growth Pill

Entry barriers and revenue losses in the US, Europe and emerging markets have compelled pharma companies to lean on India

BY **NEETU CHANDRA SHARMA**

▶ **PHARMA COMPANIES ARE** shifting their attention to the Indian market as they see declining revenues in the US, European and emerging markets. Realising there is a significant opportunity for healthy revenues domestically, mid-sized companies like Eris Lifesciences and the recently-listed Mankind Pharma are also keeping an eye on the Indian market, joining the likes of market heavyweights Sun Pharma, Dr. Reddy's and Cipla, among others.

"India remains our priority market, and we are committed to continuing to grow this business at a healthy rate," Erez Israeli, CEO of Dr. Reddy's, said during an analyst call. The revenues of the India division of Dr. Reddy's in Q4FY23 grew 32 per cent year-on-year. For the entire year, its sales jumped 17 per cent to ₹4,893 crore. While the US market recorded 36 per cent YoY growth in the March quarter of FY23, emerging market sales declined 7 per cent due to a high base. Global brokerage firm Bernstein downgraded Dr. Reddy's stock from "outperforming" to "market-perform" on May 18, citing near-term gaps in the US growth story and weak or unpredictable emerging markets performance.

One more factor that has led to greater focus from pharma companies is the Indian market's strong growth in recent times. The Indian pharma industry grew 9.3 per cent in FY23 and 14.6 per cent in FY22, per credit ratings agency India Ratings and Research. Its strong performance was the reason why India was a priority market for Cipla, Umang Vohra, MD & Global CEO of the pharma major, said recently. For instance, in FY23, Cipla's India branded prescription business maintained momentum across all of its medicines, achieving 13 per cent YoY growth (excluding Covid-19). The Indian pharma market is expanding rapidly, especially in the wake of the Covid-19 pandemic, making the nation a promising market.

Also, there is much headroom for growth. Sample this: per capita pharma spending in India is $15, compared to $700 in developed countries and $100 in China. GDP and drug spending correlate strongly worldwide. "If the Indian pharma market grows at 9-10 per cent per year until the end of the decade, per capita spending will grow from $15 to $30," says V. Krishnakumar, Executive Director and COO of Eris Lifesciences, adding that this will offer a big opportunity for growth.

In addition, in the past five years, small molecules, which are India's strength, have witnessed only 35 per cent of patent expiries compared to over 80 per cent earlier. These days, most of the patent expiries, say experts, are happening in biologics, a segment where Indian pharma companies are not very active. So, overall the pipeline of US patents that are about to expire has decreased rapidly from an Indian pharma industry perspective, while the number of Indian firms wanting to be in the US market has increased.

THE INDIAN PHARMA INDUSTRY EXPANDED AT A RATE OF 9.3 PER CENT IN FY23 AND 14.6 PER CENT IN FY22

"This is a perfect recipe for price competition, which is what you've been seeing in the US market, that gives very bad pricing, very bad margins, or in many cases negative margins. This is the reason why larger firms who are present in multiple markets, have suddenly refocussed on India," says Krishnakumar. Which means, this is a good time to be in the pharma space in India.

@neetu_csharma

To pursue excellence, one must practice perseverance and hard work. A passion that makes one stand out is their pursuit of perfection. Introducing our dedicated MDRT members who demonstrated their drive for perfection to establish new standards of excellence!

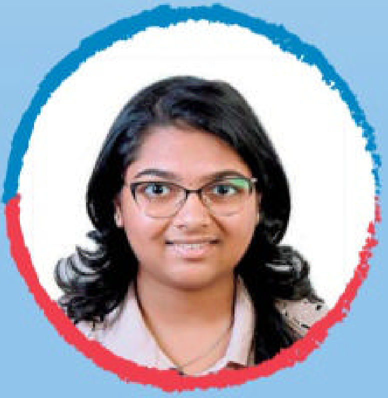
Meet our Exemplary TOP OF THE TABLE (TOT+) Achievers of 2022

Divya Tusnial, Kolkata

Divya comes from a humble background & was an ordinary housewife, this industry gave her a sense of purpose. She was fortunate enough to convert her personal mission of 'protecting everyone' into a profession and has so far been able to financially secure over 1000 families. In her own way, she has been a role model to many women as well as, a motivation to her fellow agents. Her journey has been featured in more than 15 publications across the world. She has had an opportunity to share her experiences and success formulae, at events like MDRT Annual Meeting (Miami 2019), MDRT Day at Malaysia, AIA Congress as well as mentored over 1500 MDRT aspirants.

Sangeeta Sharma, Delhi

Sangeeta Sharma has been associated with TATA AIA since 2021. She has been a homemaker for several years now. However, with the sudden outbreak of COVID-19, uncertainties abounded, she found her new interest in the Insurance domain and wanted to explore the opportunities of helping friends and family by sharing her knowledge on the benefits of Insurance. Her aim is to reach out to every individual and empower them with the knowledge of financial planning and help in providing a shield to their families against all contingencies of financial risk and retirement.



Riddhi Jain, Rohtak

Riddhi joined TATA AIA as it is a reputable life insurance company known for its innovative products and excellent customer service. The company has helped her through various opportunities for professional development and growth. TATA's commitment to providing quality products and customer service helped her achieve the TOT+ milestone. As an advisor, she has the opportunity to help clients protect their financial futures and plan for their long-term goals. Working with Tata AIA as a life insurance advisor has provided her with a rewarding career that allows her to make a positive impact on the lives of others.

Ekta Ravi Shah, Andheri

Ekta Shah with support of her husband, Mr. Ravi Shah, had a clear vision of her Career growth and Progression with TATA AIA Life Insurance. She wanted the opportunity to share a platform with the best in the industry by becoming a TOT+ advisor. Her approach to HNI selling is very holistic. She understands that if you position big ticket, you will receive bigger premiums from HNIs. Her specialization lies in Employer-employee covers under Business insurance and closing high value cases.

Ravi Dutt Sharma, Noida

Ravi's journey as a wealth manager began in 2013 and today, he has founded his own firm wherein he acts as the Director & Co-Founder. He believes that the experience of working for a start-up was enriching for him; despite the teething trouble and pains involved, he preferred to work through the grind of joining a start-up rather than an established advisory firm. He has been involved in the development of various business processes, strategies, and information systems. His mantra - "The journey to getting inspired is to aspire" has led him to become a member of the Top 1% highest club!

Our best MDRT Qualifiers work tirelessly and with complete concentration to achieve their objectives. They remain unwavering in the face of difficulties, and nothing can stand in their way as they advance. They continue to develop and move forward, outperforming themselves daily in an effort to become the best in the world.

Meet our Extraordinary TOP OF THE TABLE (TOT) Achievers of 2022

DEEPESH SUDESH ARORA
Ahmedabad

MANISHA MAYANK KOTHARI
Ahmedabad

DINESH GUPTA
Delhi

LAXMI TANNEERU
Hyderabad

AAKANKSHA MAHANTY SHARMA, Bengaluru

SHUBHAM JAIN
Delhi

SANJAY KHANDELWAL
Jaipur

MANISH KUMAR
Delhi

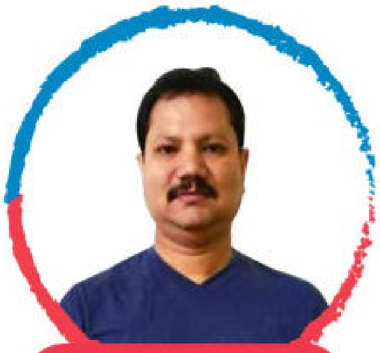
VIKAS AGARWAL
Khar

SHIVDAYAL JAGWAYAN
Delhi

TATA AIA
LIFE INSURANCE

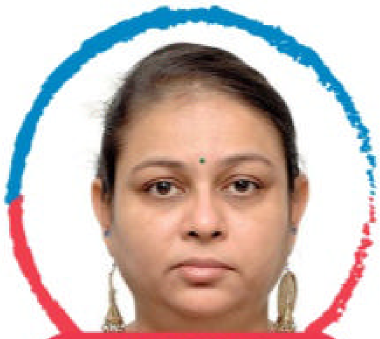
Our MDRT qualifiers distinguished themselves by leaving a legacy of brilliance, carving a niche for themselves among their colleagues and global contemporaries. We salute our exceptional MDRT qualifiers for their drive for perfection and always ensuring that consumers are paramount in everything they do.

Meet our Extraordinary TOP OF THE TABLE (TOT) Achievers of 2022



ARVIND KUMAR PANDEY
Vashi

KUMAR SATRAMSINGH MAKHIJA, Khar



SNEHA RAJENDER JOBANPUTRA, Secunderabad

SHYAM AGGARWAL
Sirsa

JYOTI JINDAL
Hissar

NAVEEN SETHIA
Delhi

SHRUTI VINIT KARANIYA
Jamnangar

PIYALI RAY
Kolkata

KANTUBHAI CHHANABHAI RATHOD, Surat

PRAKASH CHANDRA JAIN
Udaipur

The Ballot Bullet

Stock market investors needn't panic at the BJP's setback in the Karnataka polls; but they shouldn't be too complacent either and take 2024 as a done deal

BY **UDAYAN MUKHERJEE**

WHILE STOCKS seem to have shrugged off, correctly, the setback for the BJP in the recent Karnataka polls, it brought again to the fore the question of whether elections could still emerge as a potential risk for markets in 2024. This is significant because it is a raft of global factors that top the list of worries for most investors and market participants in India. Rising US interest rates, bank collapses, geopolitics and recession are among other issues that could act as speed breakers to the India growth story. As far as the domestic picture goes, investors seem pretty relaxed—decent growth, recovering capex, stable macro and steady earnings growth with only minor irritants, like El Niño or some slowdown linked to global causes, clouding an otherwise sunny outlook. But what of elections next year? Should one take the outcome for granted or could there be a surprise?

It is no secret that the stock market's preference, by far, is the current government at the centre. This is hardly a surprise, the stock market being the ultimate capitalist institution, and capitalist institutions worldwide lean rightward. So much so that the mere whiff of Left-leaning economic policies, of which the Congress party and many of its allies are assumed to be proponents, gets market participants all flustered. The fact that a majority of stockbrokers and market intermediaries hail from Gujarat or Rajasthan—traditional Right-wing bastions—may also be a contributing factor. Thus, politically speaking, it has been a comfortable decade for the Indian stock market, the odd policy hiccup such as demonetisation notwithstanding.

While there has been a lot of noise following the Karnataka result, there is yet nothing to suggest that the government at the centre is staring at an upset. It is well established by now that electoral outcomes at the state level don't necessarily reflect public preference for Prime Ministership, and Indian general elections have increasingly become US Presidential-style contests where non-BJP parties have failed to put up a face to counter Narendra Modi's popularity. That fact remains and one Karnataka verdict does not change that. Having said that, investors would have noted, perhaps with some discomfort, the growing stature of Rahul Gandhi over the last year and the fact that the BJP appears somewhat nervous about the challenge he may pose this time, in his new avatar as a serious, committed politician. The state elections stacked up for the end of the year, in Madhya Pradesh, Rajasthan and Telangana, would throw up a clearer image of how serious this challenge may be.

There are many reasons why this is a significant consideration for stock market investors. First and foremost, is the assumption that majority governments are intrinsically more stable and competent than coalition governments. Investors recognise that the Congress, even if it manages to fashion a remarkable turn in its fortunes, is still very unlikely to get anywhere close to a majority in Parliament. The BJP, given its stranglehold over Uttar Pradesh, is in a much better position to get there, even if its performance

It is debatable whether stoking the animal spirit of optimism in stock buyers should take precedence over dousing the animal spirit of hunger in the poor

slips from the 2019 level. This raises the spectre of a coalition of parties with egoistic leaders primarily focussed on extracting the maximum advantage for themselves, their parties and states—hardly ideal for the twin goals of stability and governance. Unless these non-BJP parties can convey to the electorate, in advance of the polls, that they can come together without squabbling and bickering, investors will eye their prospects with great caution.

ILLUSTRATION BY **RAJ VERMA**

The other major factor is that the BJP is seen as a pro-business, pro-investment party with no great sympathy for populist or pro-poor policies. Put differently, it is the Congress and some of the other regional parties which seem far more intent on supporting the lower end of the pyramid given the extreme distress faced by these sections since the pandemic. This effectively means redistribution from the segments that have been doing much better—corporates, middle- and high-income citizens and stock market investors. This would seem fair, but the mere idea is anathema to market participants. They scoff at all talk of a universal basic income safety net or of higher taxes to raise outlays for social sector schemes, dismissing them as outdated Leftist/populist policies. Hardly a surprise, as selflessness or empathy has never been the hallmark of stock market investors.

In the unlikely event of a change of regime at the centre next year, it is totally conceivable that some taxes directed at the wealthier sections of the population will go up—such as the capital gains tax on equities. With people starving in the villages, why should investors be taxed at a rate much lower than the prevailing income tax rate for the salaried class, or even fixed deposit returns for savers? There are arguments, but mostly specious. It is debatable whether stoking the animal spirit of optimism in stock buyers should take precedence over dousing the animal spirit of hunger in the poor. From all that one hears from political leaders across the spectrum, there appears to be a very fundamental difference between the BJP and the non-BJP parties on what constitutes the appropriate direction of economic policy for a country like India. And herein lies the risk for the market in 2024. It is not a mere change of government that could be at stake, but a total rethink of the blueprint—economic and social.

At this juncture, the dice is loaded towards the government in power. Yet, the gap in performance between the upper and lower segments of the population is so stark that we could be silently wading into an 'India Shining' kind of moment—where the ruling government remains smugly trapped into believing its narrative of high GDP growth and growing prosperity, while it only serves to feed a seething resentment in larger swathes of the population who cannot see the fruits of that in their own lives. This threat would have been far more potent if the non-BJP parties had their act together. The Congress seems to have bottomed out—to use market parlance—but one swallow does not a summer make. If they manage to win Madhya Pradesh and Rajasthan in winter, the game would truly be on. Stock market investors needn't panic yet, but they shouldn't be too complacent either and take 2024 as a done deal. As Lenny Kravitz sang, and as they say in cricket—it ain't over till it's over. BT

RAYMOND RETURNS

AN INSIDE LOOK AT HOW GAUTAM SINGHANIA AND HIS TEAM TURNED AROUND THE FORTUNES OF THE DIVERSIFIED BUSINESS GROUP AFTER THREE YEARS OF FALLING GROWTH. THE PATH AHEAD PROMISES TO REMAIN CHALLENGING, THOUGH

BY **ALOKESH BHATTACHARYYA**

PHOTO BY **BANDEEP SINGH**

SUITING UP
GAUTAM SINGHANIA,
CHAIRMAN & MD,
RAYMOND LTD

IT'S MY DAUGHTER'S BIRTHDAY.” No, Gautam Hari Singhania was not inviting this correspondent to his daughter Niharika's 17th birthday bash. He was making the point that on December 10, 2022, Raymond's real estate business would open for possession the first set of 900 apartments to customers of Ten X Habitat, a 3,103-apartment complex on Thane's Pokhran Road. This date was decided and announced in early 2021. Big deal? A promoter chooses his daughter's birthday to announce a new launch. So what? Well, two things. One, this was Raymond Realty's first project. And two, the delivery date was two years ahead of the RERA deadline of December 2024. Singhania, 58, admits it was risky, and puts the decision down to naiveté. “We didn't know the game. So, we wrote our own rulebook,” he says, looking relaxed and in control in a dark blue T-shirt, chinos and casual shoes (all made to measure, mind you), as we chat up in the fancy Atelier Lounge on the second floor of JK House, his residence-cum-office in Mumbai. (*Read the full interview on page 40.*)

With ₹1,115 crore in sales in FY23, real estate's success has propelled Raymond to profitability after a harrowing time in FY21, and underscored its viability as the next big growth driver for the organisation. Pummelled by the pandemic and, especially, the lockdowns, Raymond's businesses had seen some of the toughest times in its 98 years. Sales of its traditional businesses—branded textiles, branded apparel, garmenting, high-value cotton shirting and, to a lesser extent, engineering & auto components—plunged between 7 per cent and 59 per cent that fiscal, and the company's bottom line slumped to a loss of ₹297 crore (*see charts*).

From there, Singhania doggedly engineered Raymond's recovery, taking the scimitar to costs, excess inventory and non-performing stores, and generally just *deciding* to not quit. He also hired a bunch of grizzled professionals in leadership positions including the heads of the real estate and lifestyle businesses, a new CFO, and a Vice Chairman with multinational exposure, between July 2020 and July 2022 (*see Raymond's A-Team*). In FY22, Raymond's bottom line returned to black, and in FY23, net profits doubled and revenues notched up its highest-ever value of ₹8,337 crore, making it a freshly minted billion-dollar organisation. “Vision is 20:20 in hindsight, but we built a real estate business, we built a full new team of people, we built a profitable business, you've seen four quarters of proper delivery, it's all happened, not by chance,” says Singhania.

“Reduction in inventory levels, which led to reduction in working capital requirement and debt levels, really led to the recovery of its balance sheet,” says Abhijit Kundu, Senior Vice President of Research at Antique Stock Broking. “And then it also cut down on non-performing branded apparel stores, and focussed on more efficiency. That really led to the overall recovery of operations post-Covid-19.”

A NEW STITCH

As a group, Raymond has clocked a billion dollars in revenue for the first time in its 98-year history

It is now solidly in the black, with two successive years of growing profits after sinking into the red during the pandemic

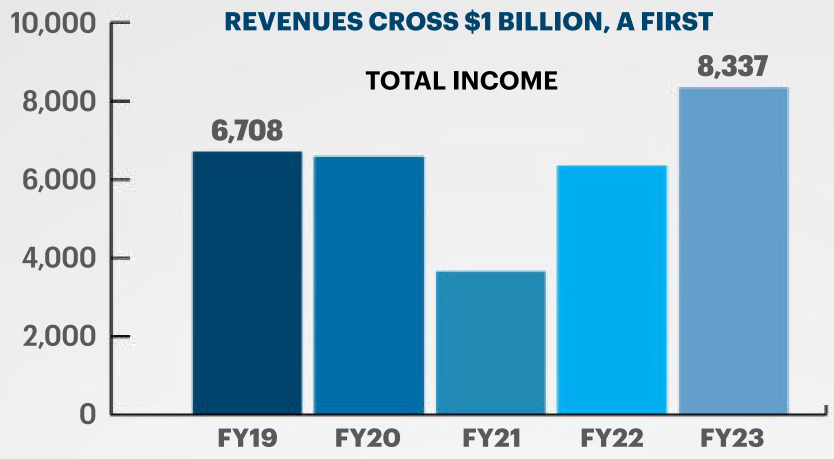
The promoter has hired a slew of professional leaders over the past two to three years to drive sustained growth

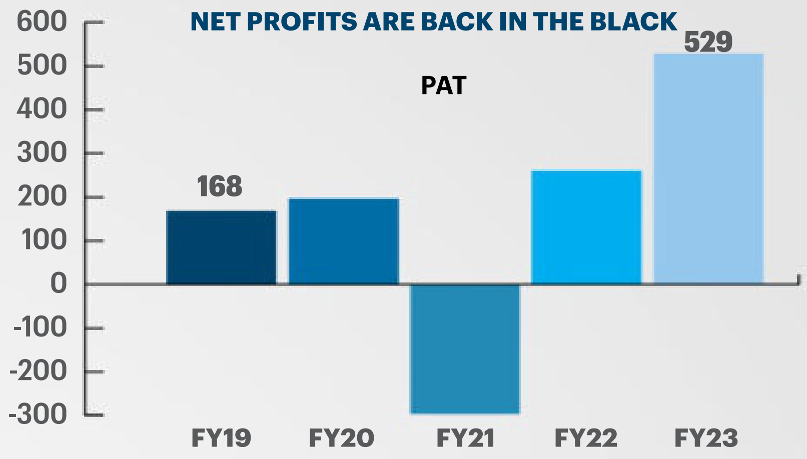
Real estate has become a surprise revenue and profit contributor, with the company leveraging its landholding in Thane

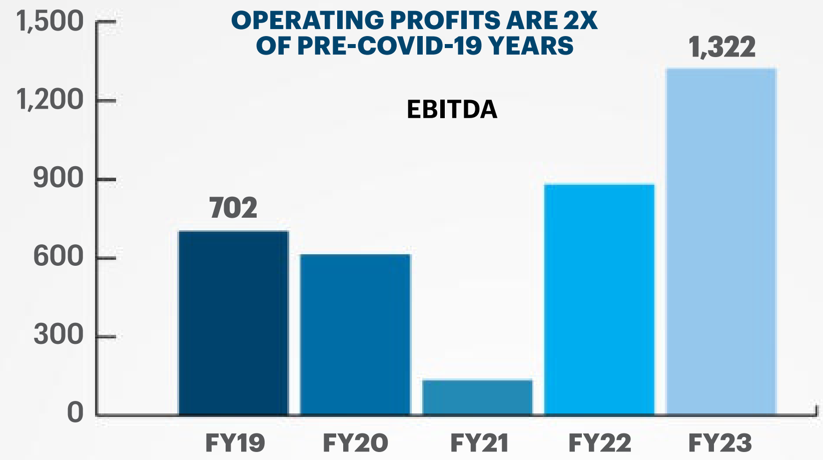
All of Raymond's businesses are growing well, across textiles, apparel, real estate, engineering and auto components, and denim

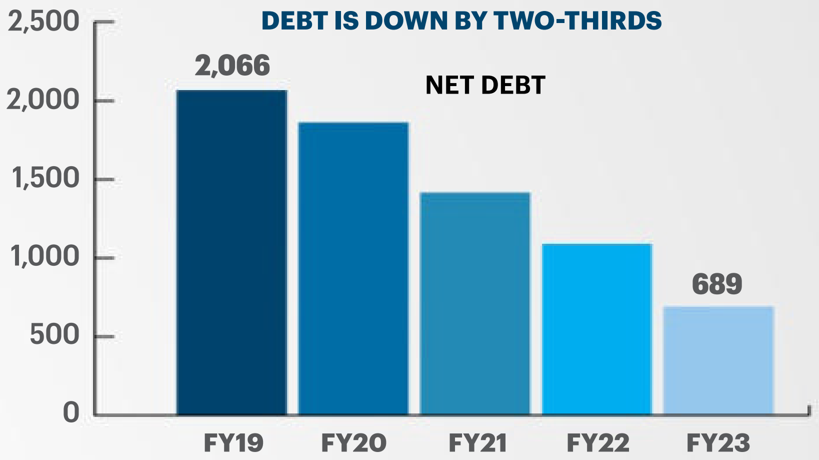
Raymond believes the western world's China-plus-one play will be beneficial not just for India as a country, but also for the company's businesses

REVERSING THE THREE-YEAR SLIDE


REVENUES CROSS $1 BILLION, A FIRST


NET PROFITS ARE BACK IN THE BLACK

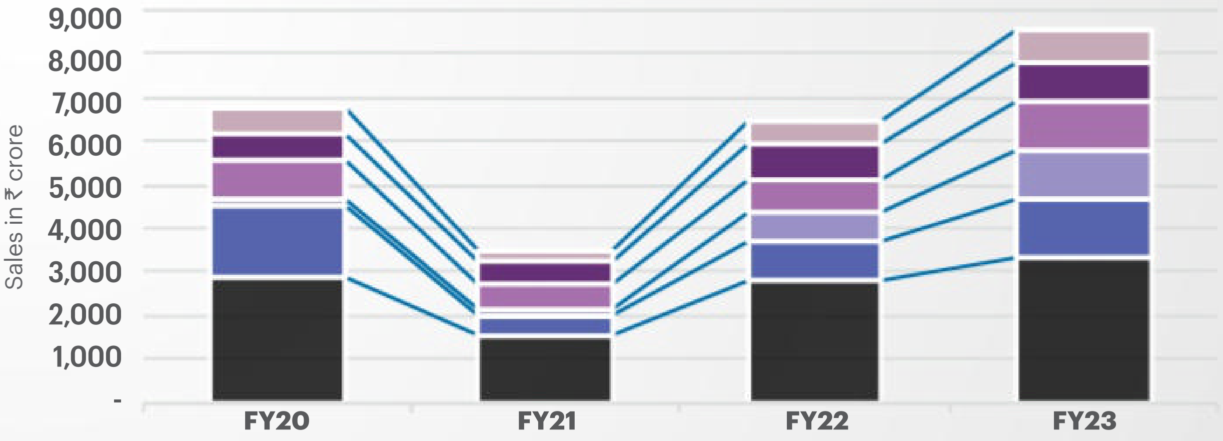

OPERATING PROFITS ARE 2X OF PRE-COVID-19 YEARS


DEBT IS DOWN BY TWO-THIRDS

Figures are consolidated numbers in ₹ crore; **PAT** Profit after tax; **EBITDA** Earnings before interest, taxes, depreciation and amortisation
SOURCE: Company annual reports, press releases

ALL RISE

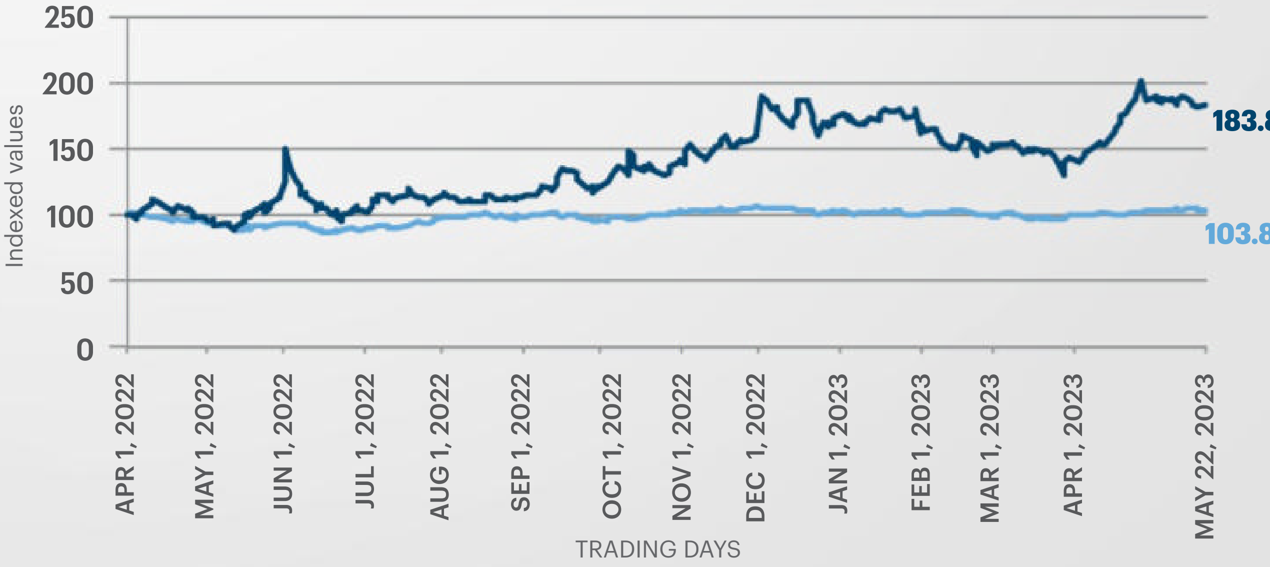
Across businesses, Raymond's sales have recovered smartly from the pandemic blues



Figures are consolidated numbers in ₹ crore. Denim, which is a JV and not technically a segment, comprises another ~₹ 1,000 crore business
SOURCE Company annual reports, press releases

THE STOCK SURGE

Despite dipping a bit after its Q4 results, Raymond's stock has comfortably outpaced the broader market



All values have been indexed to 100
SOURCE bseindia.com

GRAPHICS BY **RAHUL SHARMA**

RAYMOND'S

Gautam Singhania has muscled up his top team

ATUL SINGH, 62

GROUP VICE CHAIRMAN, RAYMOND GROUP

▶ Joined Raymond in July 2022. Long-time leader of Coca-Cola. Brings in deep understanding of global business and expertise in supply chain and distribution

"We are available in a lot of small towns. But there are hundreds of towns that we are probably not available in because our distribution network doesn't go that far. Those are opportunities for us to expand"

SUNIL KATARIA, 55

CEO-LIFESTYLE BUSINESS, RAYMOND

▶ Joined Raymond in March 2022 from Godrej Consumer Products, where he was CEO for India and SAARC. Ace marketer and economics graduate

"Styling and fashion are becoming more personalised. Whatever I wear, do I stand apart in a crowd? So, this is an area where we have started investing a lot in terms of product and design"

HARMOHAN SAHNI, 55

CEO, RAYMOND REALTY

▶ Joined Raymond in June 2021. Real estate veteran of two decades and qualified CA. Brought in to shepherd Raymond's fledgeling realty business

"The mandate is to make real estate one of the key businesses of Raymond's growth. That is not going to happen only through the Thane land. So, our focus for the next four or five years is MMR as a larger playground"

In addition, the sale this April of its FMCG business to Godrej Consumer Products Ltd (GCPL) for ₹2,825 crore has given Raymond significant cash in hand to invest in its lifestyle businesses and pare debt further if necessary.

By any measure, it has been a spectacular turnaround, and with much acceleration yet to come on the runway.

BATTLING THE PANDEMIC

Let us begin at the beginning of Raymond's slump. With the country going into lockdown in March 2020 and staying there in different shades for several months, Raymond's textile, apparel and garmenting business, comprising nearly 80 per cent of its overall revenues, were badly affected. "We had already pushed inventory, but there was no uptake. And in a fashion business, if stocks are not sold, they become old," recalls K.A. Narayan, 65, President-HR and a 15-year Raymond veteran. Plus, it also had manufacturing plants for these products, which presented a different challenge. "If we continue to produce [stocks], we have a challenge in terms of where to dispatch them, what to do with them, and that gets added to the inventory. At the same time, if we don't produce, we have to shut down factories." This situation sparked fears of a liquidity crisis, and the Board was quick to alert the management of the need to cut costs and strengthen cash flows. Raymond then undertook a bunch of steps to cut overheads, reduce headcount and lower discretionary expenses.

SUNIL KATARIA PHOTO BY MILIND SHELTE

A-TEAM

with a slew of recent hirings to drive growth

ARVIND MATHUR, 62

CEO, RAYMOND UCO DENIM

▸ Joined Raymond in May 2016. IIT, IIM and Harvard alumnus. Leads the denim JV with UCO of Belgium. Has three decades of manufacturing experience, especially with Coats Plc.

"B2B customers are increasingly looking at more of not just fabric, but garmenting as well. So, we are now expanding our garmenting footprint. That has done very well and our whole initiative is to continue that growth"

BALASUBRAMANIAN V., 63

MD, JK FILES & ENGINEERING

▸ Joined Raymond in October 2017. Brings in vast experience in auto ancillaries, having worked for 25 years at Bosch and Brakes India

"Car production is just at pre-Covid-19 level. With infra development, PLI, etc., there is definitely an opportunity not only in auto but also in the tools and hardware business to grow in healthy double digits"

AMIT AGARWAL, 54

GROUP CFO, RAYMOND

▸ Joined Raymond in July 2020. Finance whiz with 25 years of work behind him at ArcelorMittal, Essar Steel, Suzlon and Jet Airways

"Earlier our debt structure was skewed towards short-term debt. We have converted them all to long-term debt, and we are sitting with significant cash flows. Our target is to be debt-free in the next three years"

Amit Agarwal, Group CFO of Raymond, looks at the pandemic as a blessing in disguise. "As we grow old, we accumulate a little fat here and a little fat there, and the same thing was happening with the company. We needed to change things," says Agarwal, 54, smiling broadly with positive energy visible even on a Zoom call. Pointing out that the company cut almost ₹400 crore of operating costs, Agarwal lists a host of measures taken to cut costs, including structural costs such as people, operation, retail stores, advertising, etc. For example, about 4,000 dealers would get an all-expenses paid annual tour of the company's Thane plant for trade bookings. That exercise was moved to digital during the pandemic and, even today, is still largely digital.

"We had opened a lot of stores, and in some of them, rental to revenue ratio was as high as 0.6, meaning the rental would be 60 per cent of the revenue. It did not make sense," he says. So, the company shut about 150 stores where revenues were not picking up. On the people front, some layers in the organisation were eliminated, and some others were consolidated through the use of technology. Some regional and branch offices were also shut down. "We were able to enhance the productivity levels of our plant operations, and reduce the fabric spoilage, cuts and ends. Every single piece of the business was looked at and improved upon," says Agarwal.

In addition, the company went hard to bring receivables under control. The net working capital cycle (NWC), at a high 98 days in September 2019, was brought down firmly to 47 days in March 2022 through a strong collection drive. “We told our dealers that if you don’t bring your dues down, we will not supply you the material,” recalls Agarwal. (In March 2023, the NWC has again risen to 53 days.) The money released by cutting costs, enhancing productivity, managing inventory better, and from reducing the NWC was used to repay debt, informs Agarwal. All these initiatives helped Raymond’s net debt fall from ₹2,378 crore in September 2019 to ₹689 crore in March 2023, with a subsequent fall in the debt-equity ratio from 1.1x to 0.23x in the same period.

With more efficient money and operations management, Raymond was back in the black in FY22 itself, notching up a profit of ₹260 crore, despite Q1 of the fiscal being lost to the debilitating second wave of the pandemic. But it was the real estate business that stood out as the star among equals, carving a new growth path for an entity that is known to you as a clothing firm that promises to make you The Complete Man.

K.A. NARAYAN, 65

PRESIDENT-HR, RAYMOND

▸Joined Raymond in October 2007. A 38-year HR veteran, Narayan is an expert in M&A integration, leadership development, and legal matters

“The age of looking for people from the same domain is now moving to people from different industries, who can bring diverse perspectives. That will be the way to look for leadership talent in future”

THE REAL ESTATE BET

Harmohan Sahni, of the light beard and light smile, is a qualified chartered accountant. The CEO of Raymond Realty has been leading various initiatives in real estate, starting with GE Shipping’s realty venture, then Mahindra Lifespaces, then his own venture, and then running Edelweiss’s realty lending business. Been there, done that. Calling himself a builder of businesses, Sahni, 55, joined Raymond in June 2021, when it really needed him. He is also a hard man to ruffle. Ask him how ₹2 crore for a 2BHK apartment can be called ‘affordable’, and he answers with a straight bat. “The market is always right. Who am I to say it is expensive or cheap? I cannot own that value judgement if my product is selling better than the others. As of today, in the relevant Thane market, we have 25-30 per cent market share, which for one project in a micro market is significant. I have never seen it in my career... so I know it’s rightly priced,” he says with a drawl, calmly, slowly chewing on his words.

That kind of composure, plus experience, makes him the perfect man to front Singhania’s real estate dream. And Sahni believes this is just the beginning. The real estate industry, which is prone to long cycles, saw a seven-year downturn till a couple of years ago. And now, it is in the midst of another upcycle. “Things have stabilised on all those fronts, there has been pent-up demand and the incomes have been growing, affordability is at its best that anybody’s seen in the last 30-40 years in India, in terms of multiples of income. I think there are significant tailwinds for this industry,” says Sahni.

According to Karan Singh Sodi, Senior MD, Mumbai Metropolitan Region & Gujarat of JLL India, certain factors have worked in favour of Raymond thus far. Its land bank houses a high school owned by the Singhanias, Sulochanadevi Singhania School, fulfilling a big ask for buyers who have children. Then, a small part of the bank was sold to a mall developer, so a mall is also being built—that’s another ask fulfilled. Then, there is a hospital nearby, and being in Thane’s prime area, the ingress and egress to Raymond’s land is smooth. Plus, Sodi points out that Thane has had nearly 50 per cent share of all residential unit sales in Maharashtra in recent years. So, it’s a good place to be in currently for a realty developer.

Raymond’s performance is also adding muscle to the larger trend of big, established corporations jumping into the real estate gravy train, including Tata, Mahindra, Adani, Wadia, Godrej, Piramal, among others, especially thanks to the structural changes brought by RERA—Real Estate (Regulation and Development) Act. “These brands have been around for many years, so they have a head start. And completing projects in time gives huge comfort to consumers... anybody coming in will have to deliver on time, deliver the quality that is promised, and provide all the amenities required,” says Anshuman Magazine, Chairman and CEO, India, South East Asia, Middle East and Africa of real estate services and investment firm CBRE. Adds

PHOTO BY MILIND SHELTE

Sodi: "Earlier, there was mistrust in the marketplace—some Tier II, Tier III developers would take money and not finish their projects. That gap was identified by a number of corporate players. Their entry into this sector got back the confidence of buyers."

Already, Raymond has activated two more projects. The Address by GS has 549 apartments and is more expensive than Ten X Habitat. Both these projects have seen more than 80 per cent apartments booked. A third project, TenX ERA, with 905 units, was launched this February—25 per cent apartments are already booked. All this reflects in the company's performance. The real estate business's sales increased 401 per cent in FY22, and another 58 per cent in FY23 to touch ₹1,115 crore. Ebitda margin for FY23 is at 25.7 per cent, which, according to Sodi, is more or less on par with that of the larger Thane market.

Beyond the land bank, Raymond plans to get into joint development with others in the MMR (Mumbai Metropolitan Region). "We are not investing any money on the land. We will only do such projects when we are confident that all the approvals are happening," says CFO Agarwal. The company has signed up one joint development project in Bandra with a local partner, which is the redevelopment of a society on the Western Express Highway. "As of now, we have about 270-280 proposals, and some have been shortlisted. But in terms of active discussions, we would always have five to seven proposals that are in line with our strategy.... Difficult to predict, but our endeavour is to do two to four deals a year," says Sahni. If done well, this strategy has the potential to make real estate much bigger in Raymond's portfolio. In the past three to four years, it has become the third biggest business for Raymond. And since it is still taking baby steps, this is likely to grow further, subject to market conditions. No wonder Singhania is so bullish.

Meanwhile, its traditional business of everything to do with clothing is also chugging along just fine. So are the denim and engineering & auto components businesses.

THE CORE KEEPS RUMBLING

Sunil Kataria, 55, the CEO of Raymond's core lifestyle business, looks every bit his role. Having been in GCPL during the pandemic (as CEO of India and SAARC), the suave and eloquent Kataria joined Raymond in March 2022 and took charge of the growth journey. And it has been an impressive ride. All the businesses related to clothing clocked high growth in FY23—sales of branded textile, branded apparel, garmenting (which is an export-oriented B2B business where Raymond supplies ready-made garments to international brands) and high-value cotton shirting grew at 20.6 per cent, 49 per cent, 51.7 per cent and 33.2 per cent, respectively, with Ebitda margins between 8 per cent and 20 per cent.

This growth has come on the back of an explosion of pent-up demand after the pandemic. In FY23, a net 58 units of The Raymond Store (TRS) outlets were opened, taking the total count to 1,409 stores (including franchisee-owned TRS shops and exclusive brand outlets) as on March 31. Over the next 12-18 months, the company plans to expand this network by another 200 stores. Yet, there is scope for further expansion. "We are available in a lot of small towns. But there are hundreds of towns that we are probably not available in because our distribution network doesn't go that far. Those are opportunities for us to expand," says Atul Singh, Group Vice Chairman of Raymond Group. Singh, 62, is a Coca-Cola veteran who has worked around the world and brings understanding of global markets to Raymond (it already exports a chunk of its clothing products overseas to large global brands).

What are the growth drivers of the future? One, Kataria believes that a China-plus-one strategy by global brands will benefit India compared to competing economies like Vietnam and Bangladesh because either their capacities are choked or they face a volatile economy. "And within India, we (Raymond) are very well placed. When all these

AFTER BEING PUMMELLED BY THE PANDEMIC, SINGHANIA ENGINEERED RAYMOND'S RECOVERY, TAKING THE SCIMITAR TO COSTS, EXCESS INVENTORY AND NON-PERFORMING STORES

players look for either ready-made garments or fabric, they look for a vertically integrated player. We have one of the world's best factories in terms of ability to give worsted fabrics, plus we have four units in Bengaluru and one in Ethiopia, where we do ready-made B2B garmenting. So, we are able to give end-to-end vertically integrated, very strong world class facilities, people," he says.

Two, certain consumer trends in India are also being targeted by Kataria. Casualization and hybrid formals is one such, where people go to work wearing attire that is not strictly formal, yet not totally casual either. Think start-ups, the tech crowd and millennials, and their approach to dressing. You'll get the drift. "Two of my brands, Park Avenue and Raymond Ready to Wear, are formal brands. We are going to stretch these two brands into casual as well. The casualization play between my apparel brands is going to become very strong. And that's an area where we are focussing on both product and design," says Kataria. He's also betting big on this trend spilling into fabrics. "We are seeing that even within fabrics, it is no longer the blacks and the blues and greys that people prefer. They are open to buying prints, colourful linens, more casual designs." Plus, there's a lot of work going on in innovations such as a techno-stretch fabric—which as the name suggests are fabrics with some stretch built in—and even a stain-repellent fabric.

But what gets Kataria most excited is ethnic apparel, through its brand Ethnix by Raymond. If you think ethnic is only for weddings and festivals, you have another think coming. Kataria caught this correspondent by surprise by pointing out that the interview was being conducted by someone wearing a bundi, which is what he calls "smart ethnic". The bundi, kurta and other ethnic wear are becoming fairly common in the workplace, and remain popular in weddings and festivals. Raymond is targeting a mix of exclusive Ethnix stores as well as shop-in-shop placements in TRS outlets for its ethnics drive. Antique Stock Broking's Kundu points out that while there is competition, there are also a lot of unorganised players in this segment, which would help the overall ethnic portfolio in terms of consumers wanting to buy branded ethnics. "Raymond is under-indexed in ethnics and even branded casuals, so they will start from a lower base and they can scale up profitably," he says.

"Completing projects in time gives comfort to consumers... anybody coming in will have to deliver on time and deliver the quality promised"

ANSHUMAN MAGAZINE
CHAIRMAN & CEO, INDIA, SOUTH EAST ASIA, MIDDLE EAST AND AFRICA, CBRE

"Earlier, there was mistrust in the [real estate] market... that gap was identified by a number of corporate players. Their entry got back the confidence of buyers"

KARAN SINGH SODI
SENIOR MD, MUMBAI METROPOLITAN REGION & GUJARAT, JLL INDIA

Raymond also has a ₹1,000-crore-plus business of denim, which it runs through a 50:50 joint venture with UCO of Belgium. The entity, called Raymond UCO Denim, has been around for 25 years now, and has become one of Raymond's biggest businesses under CEO Arvind Mathur, 62, a veteran of 29 years at British industrial thread manufacturer Coats PLC, before joining Raymond. Despite cotton prices doubling in recent years, both denim fabric and ready-made apparel have done well on the strength of its B2B relationships. "A bulk of our business has been on the export side and we have grown significantly there. And even in the Indian market, all the premium labels would be using our fabric in their jeans," says Mathur. Apart from supplying to other brands, Raymond UCO Denim now also supplies denim fabric and readymade jeans to Raymond brands such as Parx. Going forward, Mathur is focussed on expanding his garmenting footprint, which is where demand is climbing.

The final piece is engineering and auto components. If you're surprised that Raymond is in this business, well, don't be. Even Balasubramanian V., 63, the MD of JK Files & Engineering, a 25-year veteran of Brakes India and Bosch till he joined Raymond in October 2017, didn't know about it before he got the job offer from Raymond. The division's sales fell just 7.4 per cent in FY21, the lowest of all Raymond's businesses, but recovered smartly thereafter. This growth has come on the back of a good showing from its two companies. One, engineering company JK Files, which has strong products such as engineering files, drills used in manufacturing, and power tools used by electricians and plumbers. And two, auto component maker Ring Plus Aqua, which manufactures a host of products.

It sells engine and transmission components to global OEMs such as Cummins, Caterpillar, BMW, among others, and in India to practically all OEMs in both passenger and commercial vehicles. The company also makes water pump bearings used in engine cooling circulation, and a product called Flex Plate, used in automatic transmission systems in vehicles. Ring Plus Aqua is now getting into new products such as dual clutch transmission and dual mass flywheels. About 60 per cent of its revenues comes from exports. "Each business can double in my opinion in four-five years, easily. Currently, there is a bullishness that is coming back after two Covid-19 years. Even in Covid years, we somehow managed to grow," says Balasubramanian. With the Indian auto industry moving into growth overdrive, things are continuing to look good for this business as well.

THE WAY AHEAD

Going ahead, Raymond is restructuring and streamlining its businesses to drive further growth. This April, Raymond Group exited its FMCG business by selling its condom brand Kama Sutra and deodorant brands Park Avenue and DS, to GCPL for ₹2,825 crore in an all-cash deal. However, Raymond will retain its condom manufacturing plants and contract-manufacture them for others. Analysts feel this sale reflects Raymond's desire to sell off a non-core business and strengthen its balance sheet. From GCPL's point of view, Naveen Trivedi, DVP-Institutional Equity, HDFC Securities, says: "On the core business side, some parts of GCPL's portfolio are seasonal in nature, and some parts don't fit into future consumption patterns. GCPL may be looking to fix this problem by acquiring this business, which is more in the personal care segment and is growth-oriented, where they can drive their own distribution."

"Raymond is under-indexed in ethnics and even branded casuals, so they will start from a lower base and they can scale up profitably"

ABHIJIT KUNDU

SENIOR VP-RESEARCH, ANTIQUE STOCK BROKING

"Some parts of GCPL's portfolio are seasonal, and some don't fit into future consumption patterns... [It] may be looking to fix this by acquiring Raymond's FMCG business"

NAVEEN TRIVEDI

DVP-INSTITUTIONAL EQUITY, HDFC SECURITIES

In parallel, the businesses of Raymond have now been shuffled into a new structure. The lifestyle businesses are being demerged from Raymond Ltd into Raymond Consumer Care Ltd (RCCL), and Raymond Ltd's main business will be real estate, with investments in engineering-auto and denim. "RCCL will see reduction in debt levels and better funding of working capital internally, because it now has cash from the sale of the FMCG business to GCPL," says Kundu. "It will have a strong balance sheet, which will help fund the working capital needs of the lifestyle business."

While things have been smooth sailing in recent times, Raymond will have to watch out for potential stumbling blocks. "The apparel market saw a lot of growth due to explosion of pent-up demand last year, which has now been exhausted. So, there will be a slowdown in branded apparel growth this fiscal, but it is likely to make a comeback in FY25," says Kundu. In real estate, the move into joint development in areas beyond its comfort zone of Thane would require Raymond to manage relationships with multiple stakeholders, which can be a challenge. Then, export markets, largely western economies, are seeing their own challenges including high inflation, high energy prices, volatile currencies, war, and fears of a possible recession. And while these factors have not affected Raymond in FY23, there's no predicting the future.

Challenges or no, what stands out in this whole story of the revival of Raymond is the positive mindset of its promoter and its band of leaders, and their willingness to take setbacks on the chin, shrug and move on. With the company's businesses firing on all cylinders, clearly, this story isn't over yet. BT

@alokeshb

‘THE KEY IS TO LEARN TO SURVIVE’

Raymond Chairman & MD Gautam Hari Singhania on the way ahead for the textiles major

BY **ALOKESH BHATTACHARYYA**

PHOTOS BY **BANDEEP SINGH**

PERSEVERANCE, grit, strong leadership skills, high risk appetite, and a flashy and fast lifestyle don’t necessarily go well with naiveté. But Gautam Hari Singhania, 58, has shades of them all. No matter what you think of the Chairman & MD of Raymond, the fact is that he has shown exemplary leadership skills in the toughest of times to pull his organisation out of the losses wrought by Covid-19, and onto a sustained growth trajectory. In a candid conversation with *Business Today*, Singhania lays bare his strategy for Raymond’s turnaround. Edited excerpts:

▶▶▶

The pandemic was a bad time for Indian industry. Are there any instances that stand out for you as symbols of what happened and what changed the company or you as a person?

You’re right, the pandemic was an extremely difficult time, especially for a company like ours where retail was closed, we had no revenue, plus we had manufacturing on the side. So, we had people to carry, interest cost… it was a very difficult time. There’s a very famous saying. It’s called success is relative—more the success, more the relatives. But when you don’t have success, those same people disappear. There was a day when, for a group of this size, a private limited bank refused to roll over an existing loan of ₹5 crore because it said it won’t get it [the money] back. But we had the conviction that we will make it happen… that this, too, shall pass. And we put our heads down, rolled up our sleeves and did what we had to do. And I’m happy to say today things have changed dramatically. So, the pandemic taught us a lot of things, also showed us who’s on our side and who’s not. What really stood by us is our trade, our dealers, our relationships. We did away with our fair-weather friends. The same people now stand in line looking for business again, but obviously, it’s not going to be. But you know, such is life. You asked me what I learnt? You learn to survive. The key is to learn to survive.

▶▶▶

Would you say that the pandemic has made you and Raymond stronger than before?

Infinitely stronger. Look at the amount of cost we took out of the system. We re-engineered ourselves on doing business. And in the pandemic, in three years, we built a very strong real estate business as a counter strategy, as insurance, for balancing if one went bad and if one went good. In less than three years, at 11:30 am on December 10 (2022; this interview was taken on December 5), we’re delivering the first apartments two years ahead [of the RERA deadline]. No builder in India has ever delivered a project of this scale and size in three years, out of which two years were [during a] pandemic.

▶ ▶ ▶

That is a very precise date and time to arrive at so much in advance...

It's my daughter's birthday [Niharika Singhania, 17]. We always set ourselves a deadline. Typically, somebody's birthday, some occasion... To be honest with you, I need to find an excuse to pin the coat on. I thought my daughter's birthday was a far enough time, but realistically near time, and I thought it was achievable. It was a stretch, but what it does is it gears the organisation. We made a public announcement. We put it on our website. We put a countdown timer. Then it aligns the whole organisation. Every builder said we can't deliver. But we did.

▶ ▶ ▶

Did it not strike you as a risk? Especially in a new business?

I think sometimes, it's easier to achieve things if you are naive. Because then you don't know. Sometimes, not knowing the business is a big advantage.

▶ ▶ ▶

The organisation turned around its finances in this time, coming off a bad period. What were the key pillars of your strategy?

Every business had its own strategy. And it was not something that we said we will do after 12 months. When it comes to survival, and you wonder what's going to happen next, you have to say, what am I going to do today? And every day, every step you took forward, you came out of the deep water. If you're in six feet of deep water, you got to take one step up the slope, before you can even think of running outside. That's how it goes. But you know what... nothing wins like a positive mindset. If you have a positive mindset and say, 'No, I will survive', period. Vision is 20:20 in hindsight, but we built a real estate business, we built a full new team of people, we built a profitable business, you've seen four quarters of proper delivery, it's all happened, not by chance.

▶ ▶ ▶

If we were to look ahead now, what would be the key pivots around which you will take this momentum forward?

See, there are four lines of business—lifestyle, engineering-auto, FMCG [sold off recently to Godrej Consumer Products], and real estate. Each business has its own strategy. Lifestyle has tremendous challenges, or opportunities more than challenges, in the sense that can we come up with new product lines, whether it's home, ethnic, made to measure... Our legacy businesses, like fabric, may grow at 6-7-8 per cent, maybe 9 per cent. But then everything else will grow at an exponential pace. If you see our own example of shirting [fabric] over the last six-seven years, we have built a ₹600-700 crore over-the-counter shirting business. Everybody talks about how readymade shirting is growing... apparel, apparel, apparel. But why are we selling 25 million metres of shirting fabric across the counter?

That's because it's a better value proposition for you to go and buy 1.8 metres of fabric and stitch it customised to yourself. What the world charges you a premium for, I'll give you a discount on. You go to Zegna and you say made-to-measure, and they'll say you pay 40 per cent premium. Here I give you made to measure; I've been doing it all my life. Plus I can do it the same day for you because I've set the backend up. Nobody else can do that. Today I have built up a 4 million metre linen business, again made to measure. This is mass customisation.

▶ ▶ ▶

It's very interesting you say this, because when I was younger, let's say about 20-25 years ago, tailor-made apparel for middle class people like us was the thing to do...

Even I did it, and that too stitching. I don't like readymade. I prefer custom. Custom is luxury. In this country, we have tailors. (Pointing to his attire) my shoes are made to measure; these chinos are made to measure; this T-shirt is made to measure. I can do anything made-to-measure—shirts, trousers, jackets. We are the only brand in the world that goes from ₹300 a metre to ₹10 lakh a metre; that's 3,000 times in price point under the same brand; no brand in the world could do it. Nokia had to do Vertu, Toyota had to do Lexus... Today you can buy a Lexus ES

“THERE WAS A DAY [DURING COVID-19] WHEN A PRIVATE BANK REFUSED TO ROLL OVER A LOAN OF ₹5 CRORE ... THE SAME PEOPLE NOW STAND IN LINE LOOKING FOR BUSINESS, BUT IT'S NOT GOING TO BE”

300 and a Toyota Camry—they're the same car built by the same company, with a different label, a different price point. You take a Four Seasons and a Ritz, it's a rebranding. Even if you see what Taj (Hotels) did, they made many of their properties Vivanta, which were originally Taj. So, they are different branding by the same company. Raymond is the only brand that we say, from the taxi driver to Mr Tata, everybody has it.

“RISK? WHAT DOES PUTIN DO TOMORROW? IT'S A RISK. WHAT HAPPENS IN THE UK, IT'S A POTENTIAL RISK. WE ARE SO CONNECTED, WHATEVER HAPPENS AROUND THE WORLD BECOMES A POTENTIAL RISK”

▶▶▶

What is your thinking behind the real estate business?

We are providing a lifestyle. We are providing a product that has never been done. Again, it comes from naiveté. We built an experience centre that cost ₹32 crore. And a competitor builder came and said, ‘you know, as a builder, I could never afford this’. I said I'm a Brand Builder. I'm not a [real estate] builder. I saw the potential of putting that up to build my brand, which is what has happened today. Now, has the ₹32 crore investment been plus or minus? I think it's been exponential.

▶▶▶

Why aren't you planning to go outside Maharashtra for the real estate business?

There's enough work to do [here]. Why should I go outside Maharashtra? Many builders who have gone across states have been extremely successful in their home state, but failed miserably in other states. I think I know why. I don't want to get into it. There's so much opportunity here [in Maharashtra], at least for the next five years. If something very large and very attractive comes up somewhere with some compelling reason, I'm not saying I won't look at it. But it's not my top three priorities today.

▶▶▶

So, what are your top three priorities today? When you wake up in the morning, and you go to office...

There's only one—enhance shareholder value. That's the only priority. Everything else falls from that priority.

▶▶▶

You have enhanced shareholder value in the recent past. Are you quite confident that you can build on it?

Our job is to do the right thing in the business; shareholder value creation will follow. We have delivered quarter-on-quarter results. That's what we focus on. And then that is seen by the market. The rest is what the market does. I don't understand the market.

▶▶▶

If the real estate business becomes even more successful, is there a chance of that overshadowing your core business? Or is that a good thing?

So be it. What's there to fear? It's there to enjoy, because you look at the whole picture. If my cake is becoming bigger, which side is white chocolate and which side is dark chocolate, how do I care?

▶▶▶

You are a very positive person. But the positivity also comes on the back of challenges that you have overcome. So, going forward, what do you look at as the key risks, not just for your individual businesses, but for the organisation?

Risk? So, what does Putin do tomorrow? If you say nuclear button, it's a global risk. What happens in the UK, it's a potential risk. What happens to Biden-Trump, it's a potential risk. So, India is no longer worried about your or my risk. We are so globally connected, whatever happens around the world becomes a potential risk. Number two, of course, I am very bullish on India. I think India is on the right trajectory. Execution is always a risk. This is a country where anything can happen. There are risks in anything, but you stay positive, focussed.

▶▶▶

What is your thinking on the exports business?

If you're sitting in a boardroom in America, and you look east, and you want to do manufacturing, what will you look at? India and China. China has its own issues. So, India has got to grow. Two things. One, labour cost is going up in Europe, inflation is going up. Number two, energy cost is going up. If you take textile & apparel, energy is a big part of it. So they're getting a double whammy. That has to translate into exports coming to this part of the world.

▶▶▶

Countries like Bangladesh and Vietnam have made great advances in terms of their share of global textiles trade. What is your thinking, from an industry leader

point of view, about what India needs to do?

We've lost ground. We need to have a little more friendly policies for export. Labour is where we had an issue, which is an inherent long-term issue where we need to have a proper labour policy. Why Bangladesh or Vietnam... look at countries like Ethiopia, the policies that they follow, the industry that they have for export. So, it's just a matter of tweaking it around. We have a plant in Ethiopia for the American market. It's doing very well. America needs products, where will it go? It is getting duty-free and quota-free exports from Ethiopia.

"WE ARE THE ONLY BRAND THAT GOES FROM ₹300 TO ₹10 LAKH A METRE; NOKIA HAD TO DO VERTU—IT'S REBRANDING. RAYMOND IS THE ONLY BRAND THAT, FROM THE TAXI DRIVER TO MR TATA, EVERYBODY HAS IT"

▶ ▶ ▶

Obviously, you're very passionate about all your businesses. But if you were to look slightly long term, which businesses are you most bullish on?

Each one has its own challenges. Lifestyle and real estate are two large growth engines. And engineering-auto has a game plan. So, I'm bullish. Now, one might grow a little less, one might grow a little more, but all four fundamental lines of business we are in are reasonably doing well. And you're seeing it in the consolidated numbers. The numbers talk for themselves.

▶ ▶ ▶

In terms of branding and public perception, despite having business lines in both B2C and B2B, you're widely perceived as a B2C business. Is that an advantage or a problem?

You'll always be known by your consumer-facing businesses. That's the nature of the beast. That's okay. You don't need to know what my industrial businesses are. It's irrelevant to the public at large. Eventually, identity comes from your brand. There's no Gautam Singhania; it's Gautam Singhania of Raymond. Without Raymond, there's no Gautam Singhania, let's be very clear about it. BT

@alokeshb

AU SMALL FINANCE BANK
A SCHEDULED COMMERCIAL BANK

AU ivy
Redefining Exclusivity

An ultra-premium **Savings Account** curated especially for you!

% Up to **7.25% p.a.^** on Savings Account with **monthly interest payout**

0 **Zero cross currency mark-up** on international Debit Card transactions

Artfully crafted, exquisite VISA Infinite **Metal Debit Card**

Exclusive offers on AU ivy Debit Card across Dining, Entertaintment, Travel & much more

Complimentary **Taj Epicure Privileged** membership

This is an 'Invite Only' program.
Scan to express your interest.

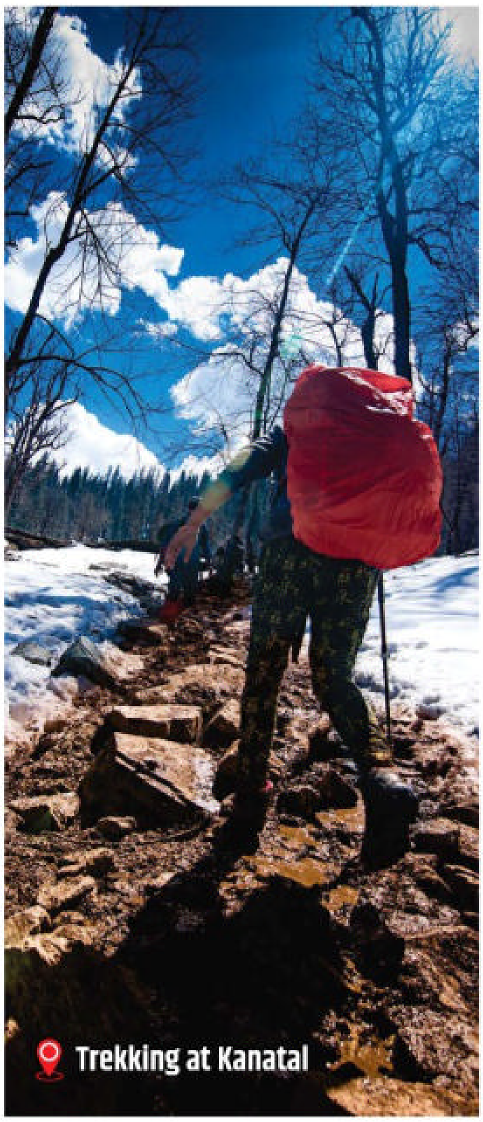
Terms & Conditions Apply. ^Applicable for select slabs, for latest rates visit www.aubank.in. Rates are subject to change at sole discretion of AU Small Finance Bank.

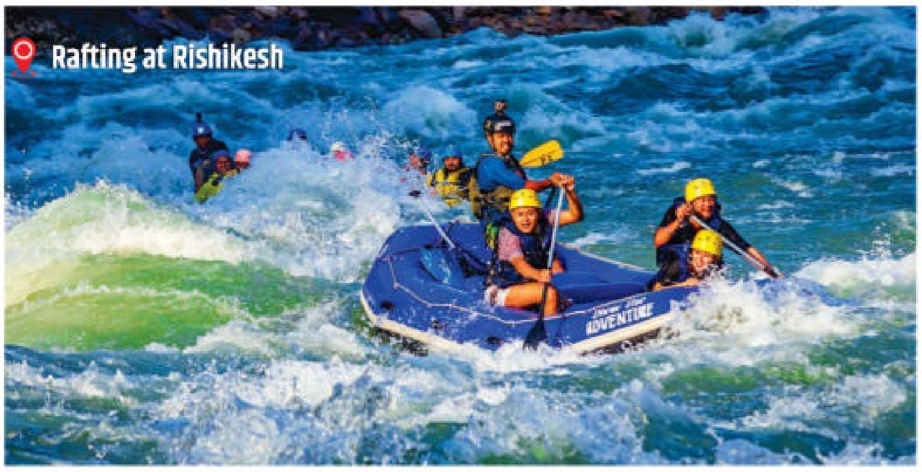
Sankalp

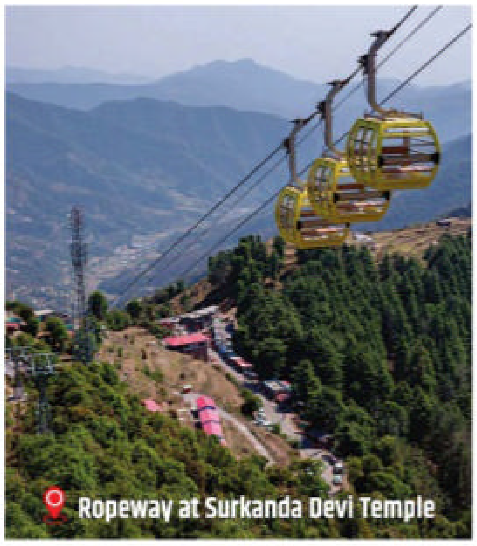
Naye Uttarakhand ka

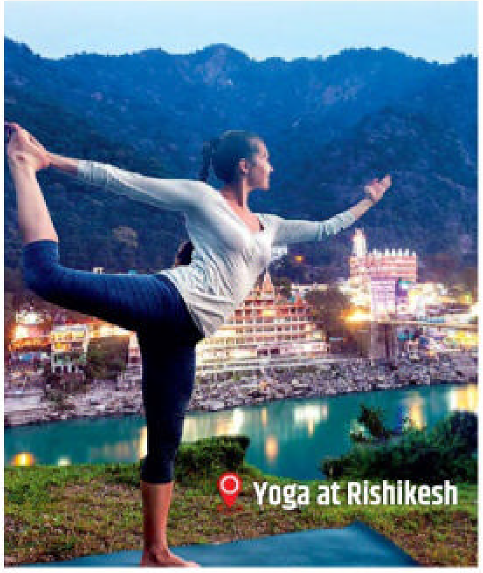
New Uttarakhand

Pushkar Singh Dhami
Chief Minister, Uttarakhand


Trekking at Kanatal


Rafting at Rishikesh


Ropeway at Surkanda Devi Temple


Yoga at Rishikesh

Empowered Uttarakhand @ 25

Prime Minister Narendra Modi has predicted that the third decade of the 21st century would be of Uttarakhand. Uttarakhand Chief Minister Pushkar Singh Dhami has been leading the state and working on the road map to make an empowered Uttarakhand @25 Multi-faceted development of tourism facilities is part of the proposed roadmap.

Adventure Tourism

Uttarakhand which has a unique place on the tourism map of the world has become a focal point of adventure tourism activities. The state government besides promoting religious tourism has taken several initiatives in adventure tourism also. The tourists visiting Rishikesh in the state can enjoy, bungee jumping, flying fox, river crossing and para-gliding and other adventure tourism activities. The Tehri lake nestled in the mountains has become a favourite tourist destination being liked by tourists. The tourists can enjoy floating house, Shikara boat and cruise ride, boating, jet speed boating, water skiing, Jombing, banana boat ride, bandwagon boat ride, hot air ballon ride and para-gliding at Tehri lake.

Besides being 'Devbhoomi', 'Abode of Gods' Uttarakhand is land blessed with nature' bounties of fast flowing rivers, lakes and majestic mountains, where the aspirations of tourists from world over for adventure activities are taken care of. With the advent of double engines governments at the state as well as at the centre, there has been tremendous improvements in the facilities and infrastructure of Tourism in Uttarakhand. This is the reason that the number of tourists visiting the state has increased manifold.

Enjoying Himalayan culture during homestay

There are many tourist places situated in the remote rural areas which are known for their natural beauty and cultural heritage. These places are now being enjoyed by local and foreign tourists through home stay facilities at these places. The state Tourism department through its Deen Dyal Upadhaya Homestay Development Scheme has granted 50 per cent subsidy (maximum ` 15 lakh) in the hills and 25% subsidy in the plain areas (maximum of ` 7.50 lakh) for development of homestay facilities. A total of 530 persons have been provided subsidy under the scheme. More than 4680 units have also been registered under Guest House registration Scheme and more than 14,000 people have been provided employment directly or indirectly.

Homestay on Trekking route

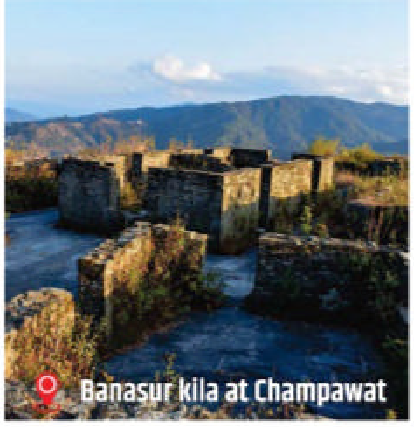
To give a new experience, Uttarakhand government has started Trekking Traction centre Homestay Scheme. This unique initiative has given home like facilities and sense of security to the tourists on the trekking routes besides giving self-employment and a gift of development to the local people. Under the Trekking Traction centre Homestay Scheme, 15 such Trekking Traction centres have been notified in Uttarkashi, Tehri, Bageshwar, Pithoragarh, Chamoli and Rudraprayag districts of the state. Till date 215 beneficiaries have been chosen. The Pushkar Singh Dhami led state government is giving financial help for building homestay facilities in the villages within two kilometres of the Trekking Traction centres.

Jim Corbett Trail

The world famous Jim Corbett National Park of Uttarakhand gives a special kind of experience to the lovers of jungle safari. To make jungle safari more adventurous and secure, Uttarakhand government has started developing Jim Corbett Trail in Champawat Forest division. This trail is being developed in Champawat, bagh barudi, Talla desh, Khet baman goan, Thulakot, Boom-Kaldunga -Chuka-Tak, devidhura-Pati-DhunaGhat, Panar valley, Durga pipal-Ladhia and Durga Pipal-Chalthi. The presence of variety of animals, flora and fauna makes it an ideal eco-tourism destination.

Ropeway as a facility and adventure also

The 'Parvatmala' project describes aptly the vision of Prime Minister Narendra Modi. To develop ropeway facilities in the mountains, Parvatmala Project has been initiated. Prime Minister Narendra Modi laid the foundation stone of Gaurikund-Kedarnath and Govindghat-Hemkund sahib ropeway project while Chief Minister Pushkar Singh Dhami inaugurated the Siddhpeth Surkanda Devi temple ropeway. The length of Gaurikund-Kedarnath ropeway is 9.7 kilometers to be built at a cost of `1267 crore through which the difficult climb of six to seven hours could be finished within half an hour's time. The length of Govindghat-Hemkund sahib ropeway project is 12.40 kilometers estimated to cost `1163 crore through which the treacherous trek of a whole day could be completed within 45 minutes. The process to start ranibagh-


Banasur kila at Champawat

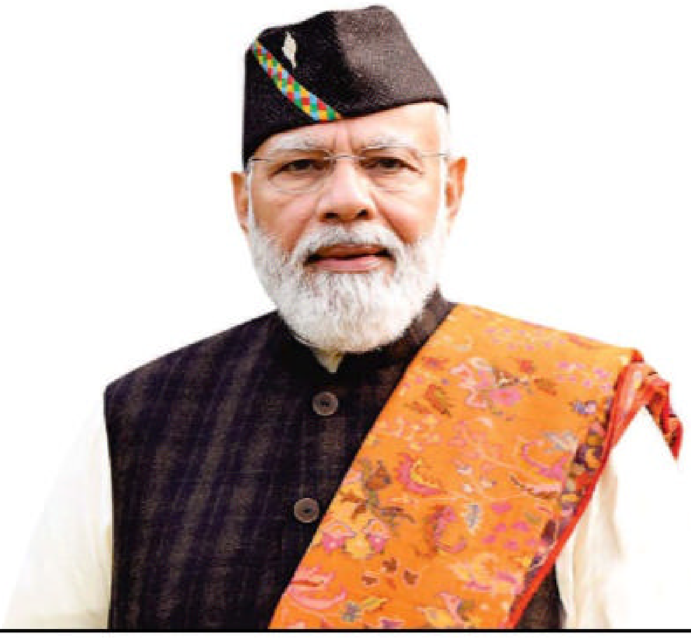
BEST
TOURISM DESTINATION
UTTARAKHAND

Govt. of Uttarakhand

Azadi Ka Amrit Mahotsav

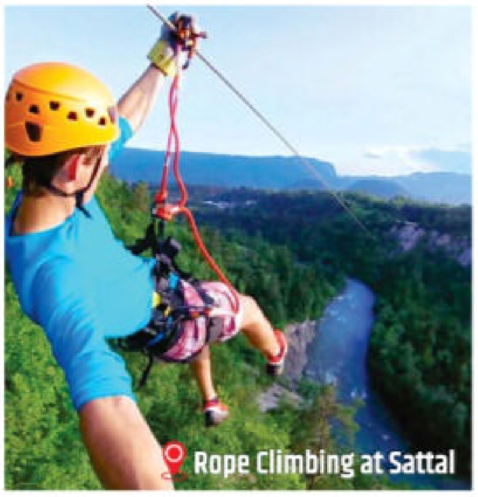
Incredible and Amazing Uttarakhand

is Full of Adventure



Narendra Modi
Prime Minister

Skiing at Auli


Rope Climbing at Sattal

Cartographic Museum at Mussoorie

Homestay at Chamoli

Jim Corbett National Park at Ramnagar

nainital ropeway, Panchkoti-New tehri ropeway, Khalia Top-Munsiyari ropeway, Rishikesh-Neelkanth ropeway projects are underway.

The First cartographic Museum of the country

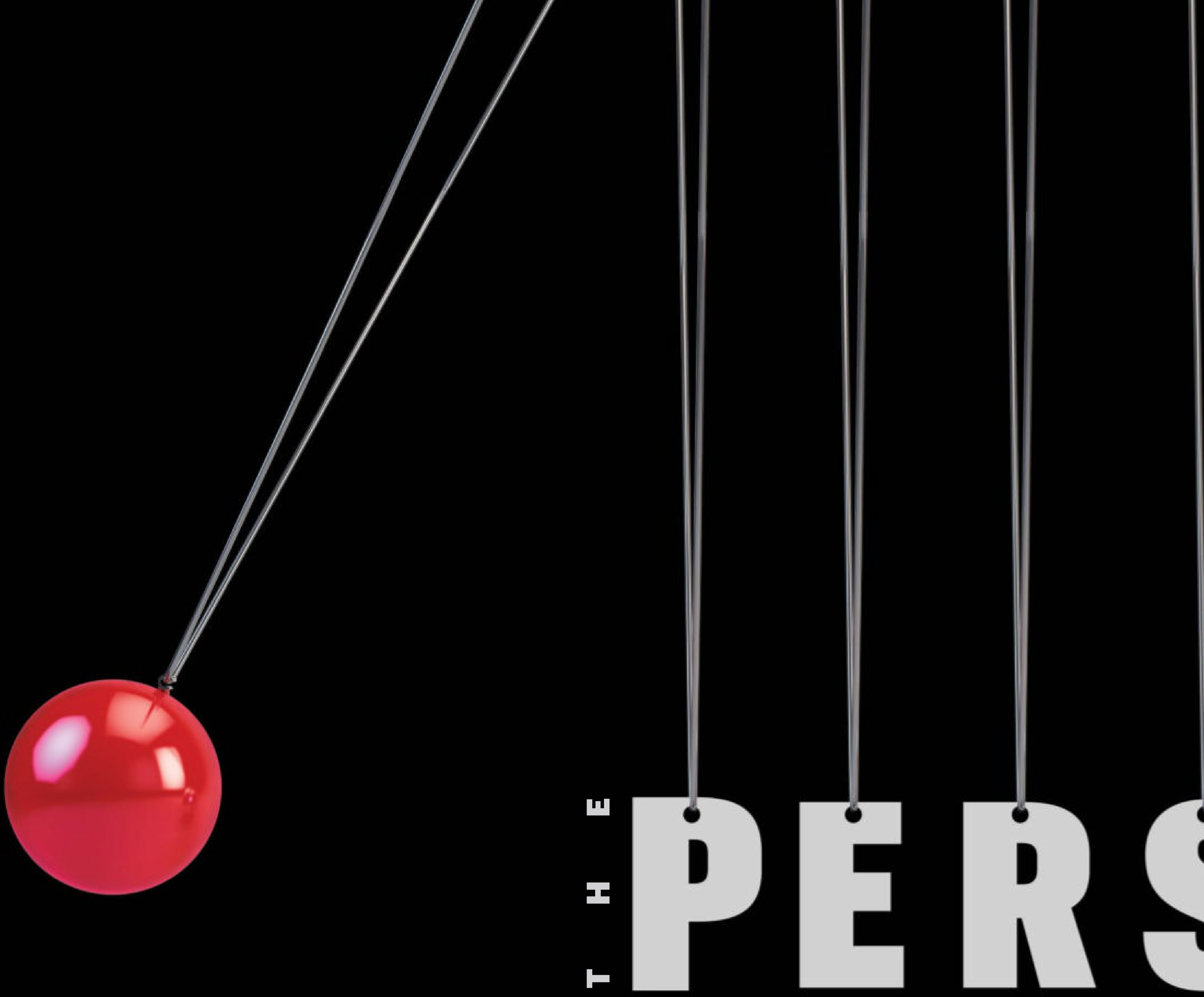
The first cartographic museum of the country is ready to attract tourists at hill resort of Mussoorie. Built at a cost of `4.55 crore at Sir George Everest House, this modern cartographic museum, houses the papers of Sir George Everest used to decipher the height of Mount Everest and other equipments. The documents of great cartographer Nain Singh Rawat, surveyor Kishan Singh Negi and mathematician Radhanath would be on display. The tourists would also be able to know about working of modern GPS systems and other geographical information through globe installed at the museum.

Best Film friendly state

Uttarakhand provides best destination for film shooting besides being a tourist destination . The state government in a bid to attract film makers to shoot their films in exotic location of the state has come up with Film policy 2022. The policy provides special incentives/ awards/recognition to the film makers and actors. The film makers have been provided with single window facilities with financial incentives. The Pushkar Singh Dhami Government has decided to built a film city in Dehradun. During the 53rd International Film Festival knowledge series held at Goa, a discussion on "Shooting in Uttarakhand" was also held. Prasoon Joshi, Chairman of the Central Film censor Board said that Uttarakhand has a positive climate for film making and the state is being prepared as a film destination under the leadership of Chief Minister Pushkar Singh Dhami. The music,art and culture of 'Devbhoomi' Uttarakhand is different from others and the number of films being shot in Uttarakhand are on the rise.

Paragliding at Pithoragarh

Khaliya top trek at Munsiyari



THE PERS

The feared loan recovery agent is back, sending borrowers scurrying for c
consumer loan recovery business and the regulat

SUADERS

cover. A *BT* investigation gives a ringside view of the dark underbelly of the tory gaps that they exploit BY **ANAND ADHIKARI**

A

“AAP SIRF BANK *ke sales target mein dhyaan dijiye* (You just focus on the bank’s sales target). Don’t worry about the rest. Your defaulted money, which has been stuck for six months, will be released within six days.” That’s the reassurance from Mumbai-based Good Luck Recovery Agency to banks saddled with bad loans. Inside its ramshackle office, housed in Firdaus Apartment in the Bhendi Bazaar area of south Mumbai, half a dozen agents dressed casually are negotiating, pressurising and threatening defaulting customers. At one table, a nervous couple is seen engrossed in a conversation. At another, a bearded man in his early 40s almost holds a defaulter by the neck, threatening to choke him to death. “My money should come within two days,” screams another 30-something in a red T-shirt with the looks of a bouncer. “Don’t show me the papers!” yells another agent to a middle-aged borrower who is pleading with folded hands. There is madness at the Good Luck office, which specialises in the recovery of personal loans and credit cards.

Sounds familiar? Could be. After all, this is actually a scene from the 2008 Hindi movie *EMI: Liya Hai To Chukana Padega*, in which Sanjay Dutt plays a local goon who makes it big by running a recovery business. It was but a reflection of what was happening in real life in the 2000s. Private banks would appoint recovery agencies to ‘persuade’ loan defaulters to return their money. The agencies, in turn, would appoint people like musclemen, eunuchs and others to do the job. Terrorised and, sometimes, physically harmed, several borrowers even committed suicide. This was despite a fair practices code for banks and agents being in place. India’s banking regulator, the Reserve Bank of India (RBI) then stepped in, and introduced over half a dozen borrower-friendly measures—police verification of agents, giving borrowers the details of recovery agencies, even recording calls.

Have these helped? Not really. A decade and a half after Dutt’s film, the reality on the ground still mirrors the movie scene, sometimes worse. An outsourced recovery agent of rural-focussed Mahindra Finance, a non-bank finance company (NBFC), mowed down the pregnant daughter of a

A SORRY STATE OF AFFAIRS

What the *BT* investigation reveals

▶ Most recovery agencies (RAs) are sole proprietorships with no training setup, and have a hand-to-mouth existence. Players can enter and exit at will, and the space has a high mortality rate

▶ The problem is worse in the NBFC space. The RBI recently uncovered gaps in the process to empanel repossession agencies at a large NBFC. This problem is common at many smaller NBFCs

▶ A large untrained force of recovery agents solely catering to NBFCs operates in the space. Finally, in August last year, the RBI mandated compulsory training and certification to appoint recovery agents in the NBFC sector

▶ Another common practice is some private banks neglecting training requirements for recovery agents; they also fail to conduct pre-employment police verification for recovery agents

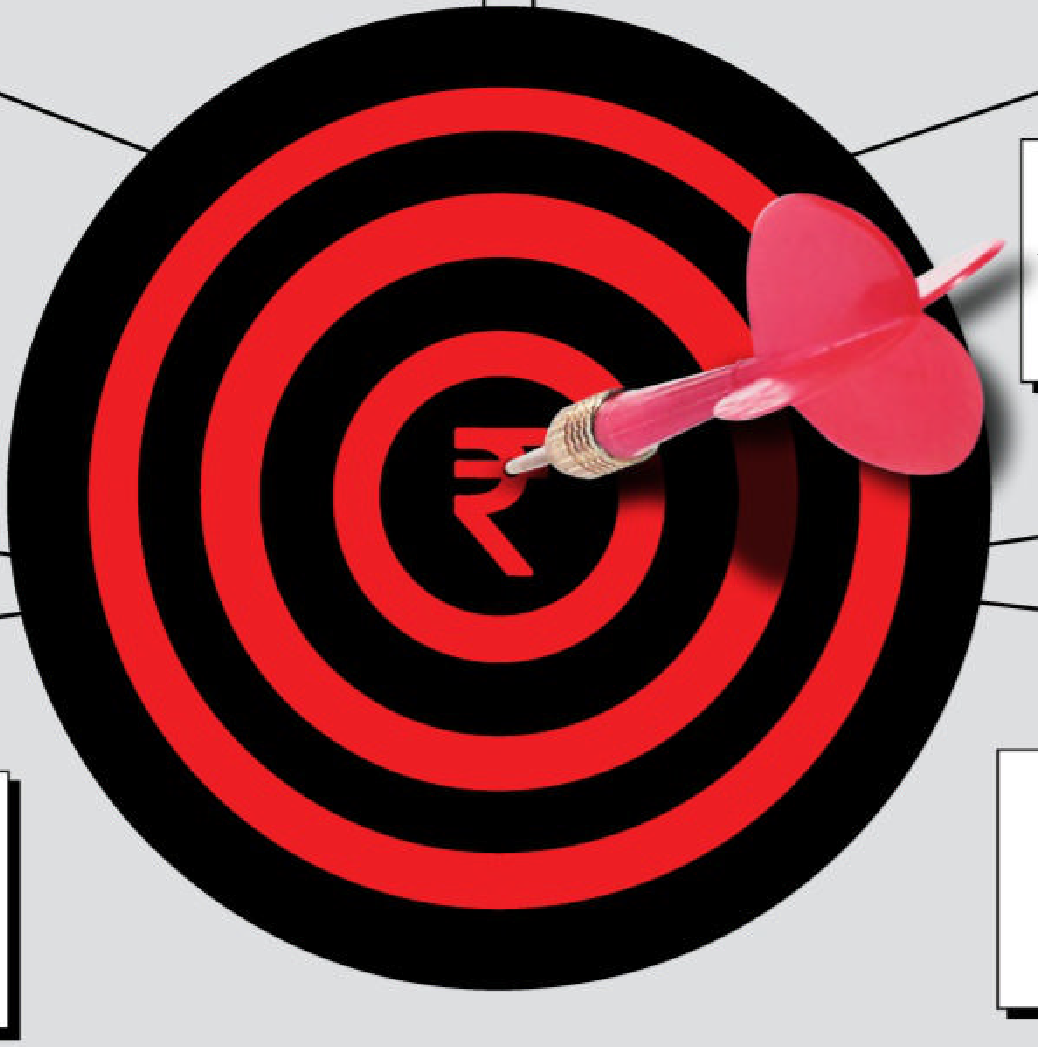
▶ Training institutes for RAs often have ramshackle infrastructure, imparting critical guidance like soft skills and negotiations skills via online classes; there are also instances of institutes outsourcing the training work; the course material is also stuck in the past

▶ There is a lack of board-level policies at banks and NBFCs on the appointment of recovery agents, which lacks standardisation; at PSBs, regional and zonal offices and branches take most calls

▶ No centralised database of terminated or blacklisted agents/ agencies; many blacklisted agencies working with other banks

THE ROAD TO RECOVERY...

The workflow for banks to recover a loan



1. A bank categorises stressed loans in overdue buckets of 0-30 days, 31-60 days, 61-90 days, and beyond 90 days

2. Next, the banks or its collection/recovery agencies (RAs) trigger texts, IVR calls and phone calls to defaulting borrowers

3. If the recovery seems tough, the bank hires third-party RAs via the tender route

4. Next, the bank and the RA sign an agreement; RA agrees to adhere to the RBI's fair practices code

5. The bank then conducts due diligence on RAs and issues ID cards to trained field agents

6. The bank/RA then calls the borrower and informs them about the person authorised to represent the bank

7. The authorised RA representative has to display his/her ID on request and identify themselves while collecting dues

8. Legal options are explored for non-cooperative borrowers, as are options for restructuring or arbitration

Source: Banks

...BUT TIGHTER RULES ARE NECESSARY

Stricter regulations for recovery agencies are the need of the hour

1 Need for regulations in terms of who can start a recovery business, KYC and minimum capital requirement

2 To set up an RA, there has to be minimum infrastructure, especially the technology setup

3 Recovery agents should be trained in soft skills offline; they need to be graduates instead of the current Class 10-pass

4 Incentives and commissions should be capped

5 Data protection and privacy laws need to be enforced to avoid data leakage from smaller RAs

6 Sharing of customer data with RAs should be allowed only for wilful defaulters

7 Need for a centralised record of RAs that have been blacklisted or terminated by banks and NBFCs

8 A centralised grievance redressal mechanism needs to be set up

9 The Reserve Bank of India needs to run campaigns to educate borrowers about their rights

SOURCE: INDUSTRY

RBI's Tough Stance

The Reserve Bank's outsourcing guidelines over the years

MAY'03

Fair practices code for lenders that says they should not resort to intimidation or harassment of borrowers. To recover loans, the lenders should not resort to persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

NOVEMBER '06

Guidelines on code of conduct in outsourcing all kinds of activities by banks; banking regulator says banks should ensure the recovery agents are properly trained

APRIL '08

RBI asks for police verification of recovery agents; informing borrowers their details and recording the content/text of the calls made by them. The regulator also requests IBA to formulate, in consultation with IIBF, a certificate course for direct recovery agents with minimum 100 hours of training

AUGUST '22

The central bank includes all regulated agencies under its recovery ambit; extends the scope of its guidelines to include NBFCs; also restricts the hours for calling defaulting borrowers on phone between 8 am and 7 pm

FEBRUARY '23

The banking regulator directs digital lenders to provide details of the recovery agent if a loan becomes NPA

Source: RBI circulars

"We have received complaints of customers being contacted by recovery agents at odd hours... There are also complaints of agents using foul language. Such kind of actions... are unacceptable and pose reputational risk for the financial entities... we will not hesitate to take stringent action in cases where regulated entities are involved"

SHAKTIKANTA DAS, GOVERNOR, RESERVE BANK OF INDIA, AT A BFSI SUMMIT IN JUNE 2022

"We have to have a central repository of blacklisted recovery agencies. We will talk to the IBA and banks to have such a centralised system"

BISWA KETAN DAS, CEO, INDIAN INSTITUTE OF BANKING & FINANCE

Recovery Rewards

The very high incentive structure for recovery agents

Overdue by	Commission on secured loans	Commission on unsecured loans
30-90 days	2-3%	7-8%
90-180 days	7-8%	12-15%
Beyond 180 days	10-12%	25-30%

farmer in Jharkhand last September. Then, three NBFCs in Maharashtra and Uttar Pradesh had their licences revoked for resorting to undue harassment of borrowers. RBI has woken up again, with Governor Shaktikanta Das warning publicly of action through law enforcement agencies.

Why this sudden return of the dreaded agent? Over the past two years, the Covid-19 moratorium on personal loan repayment (not waiver), job losses and salary cuts have led to higher loan defaults, and an escalation of recovery cases. After the economy reopened, soaring inflation and rising interest rates are now giving a reality check to young borrowers lured by digital apps. With defaults rising, banks are spending big to recover their money. Rishabh Goel, Co-founder & CEO of Credgenics, a new-age debt resolution platform, says: "The cumulative spend on collection by banks and NBFCs is a whopping ₹42,000 crore annually."

When the recovery agent knocks on your door, he is the villain, and rightly so (despite you being the defaulter, nothing justifies strong-arm tactics). But there are other entities, too—RBI, Indian Banks Association (IBA), Indian Institute of Banking & Finance (IIBF), banks, NBFCs, digital lenders, new-age tech players, lawyers and loan settlement companies—which are responsible for protecting the interests of borrowers, but are failing them. A *Business Today* investigation deep inside the recovery chain unearths crucial weak links.

BOOMING CONSUMER LOANS

Let's first understand the context better. The proliferation of digital lending apps, buy now-pay later schemes, peer-to-peer lending, and bank pre-approvals has led to exponential growth in quick-to-get consumer loans across the country, including for new-to-credit customers. Fed on this seemingly limitless buffet, consumers are now increasingly taking loans for foreign holidays, dining out, buying luxury items, and what have you. A recent ASSOCHAM-CRISIL report talks about shifting stressed assets opportunity from corporate to retail and MSMEs. The new segments are personal loans, consumer durables, used cars, affordable housing and microloans. Until a few years ago, this was restricted to home loans and loans against property. Now, with layoffs happening across sectors, and higher interest rates marking up even older loans, defaults are rising. Industry sources estimate the size of retail NPAs at ₹5.5 lakh crore.

Muzammil Patel, Co-founder of tech consulting firm Acies, says the size of NPAs will rise as the base of retail assets grows, even if the number of delinquencies does not. "The problem with personal loans is that banks haven't necessarily been able to differentiate pricing despite having information about good and average customers," he argues. Today, the whole loan process has gone digital, from lead generation to disbursement, yet the collection and recovery 'industry' remains archaic. "The lenders are now dealing with a much savvier customer," says Manavjeet Singh, MD & CEO at CLXNS Technologies, a digital-first debt resolution company.

MEET THE MOM-AND-POP RECOVERY AGENCIES

On a street bustling with people in Mumbai's Ghatkopar suburb, shops line both sides of a narrow road. The area looks residential, with grocery stores, vegetable vendors, medical stores, etc. Behind a multi-storeyed building, there is an alley of kitchens and godowns where a modest, 250-sq. ft office of a recovery agent is located. The reception area sports a dusty whiteboard that hasn't been updated for months. A range of information like loan portfolios, team sizes, and targets is scribbled on it in faded black ink. Three staff members are seen. "Our agents are on the field for recovery," explains the owner, in his late 30s, who doesn't want to be identified.

Thousands of such mom-and-pop recovery offices, mostly sole proprietorships, operate from dingy places. "They live hand to mouth," says Nikhil K. Shetty, Director of Client Relations at Kenstone Capital Debt Consultancy. It's an easy business to start and also shut down on the fly. *BT*'s investigation reveals that many agents are not housed at the addresses they have given to banks. Retired SBI officer Talla Lakshiminarayana, who ran Veerabhadra Associates from Secunderabad and has exited the business, blames weak documentation of personal loan agreements for this. G. Venkateswarlu of GVR Corporate Services, a Hyderabad-based recovery agency, says there is fierce competition in the market. "The banks are selective in giving business. Those who quote less or have recovered more in the previous assignment get the business," he says.

The industry has a high mortality rate, with most operating regionally or in a city; few national recovery agencies exist. Ketan Purohit, owner of Vadodara-based Pioneer Services, says the success rate is 15-16 per cent in recovering bad loans, but the high incentives cover the cost of tracing and chasing remaining borrowers. "There is an accelerated incentive structure, which serves as a carrot to recover a higher percentage,"

A GROWING MARKET

₹10.09 lakh crore
Total amount written off by scheduled commercial banks in the past five fiscals

₹2.89 lakh crore
Total amount of retail loans, or 28.63 per cent of the total written-off loans

₹7.43 lakh crore
Gross NPAs in the banking system

₹2.12 lakh crore
Share of retail NPAs of banks

he explains. This encourages unethical practices to earn more.

These smaller agencies don't follow a corporate structure, forget governance framework or training facilities. Plus, digital agencies are now taking away softer recovery assignments of the 0-90 days bucket. "The model is to push calls via bots, send SMS and reminders, and manage collection," says Shetty. So, the job of handling defiant borrowers is gradually shifting to local-level recovery agencies. "You won't be able to collect any money if someone follows RBI's rules," admits a recovery agent. And that's how tempers flare sometimes and situations spiral out of control. But field agents complain that they operate under constant pressure.

LENDERS UNDER SCRUTINY

A right to information (RTI) filed with RBI by *BT* reveals that Mahindra Finance's borrowers' agreements did not contain a repossession clause, and the company's policy on the empanelment of repossession agents did not specify a standard set of documents to be collected for evaluation, such as a reference check, background check to assess credibility, experience in the repossession business, etc. RBI's probe also reveals violations with regard to the fair practices code, outsourcing guidelines, and customer service. Mahindra Finance did not participate in the story.

Since only banks had to train and certify recovery agents, NBFCs had regulatory arbitrage for long. It was only in August 2022 that RBI corrected this anomaly. "The noise of unethical practices is coming from smaller NBFCs, which are freely working without training and certification," says a consultant.

Lenders have also started putting pressure on recovery agencies in recent years. A south-based NBFC's CEO takes a recovery update every day at 9 am. "If he is travelling or on his way to the airport, the call takes place at very odd hours, like 6 am," says a recovery agent. Partly, the regulatory framework of special mention accounts (SMA) to spot stressed loans is the reason. As per the guidelines, an SMA-0 is an account where principal or interest payments are overdue for 30 days. SMA-1 is for dues for 30-60 days, and SMA-2 for 60-90 days. Beyond 90 days, a loan is classified as an NPA. "Banks transfer these accounts to recovery agencies in various buckets ranging from SMA-0 to NPAs," says a market participant.

These loans are also transferred product-wise from mortgages to personal loans. Inside banks, teams track recovery of SMAs, bucket wise and product wise, with agents every day. All loans have to be recovered within a 30-day period. If one agency is unable to deliver, the lenders hand over the loans in the next bucket to another player, thereby pitting agencies against one another. "We are judged by investors and analysts every quarter by our stressed loan pool, slippages, and recovery progress. We have to be on our toes," defends a banker.

There is also a new institutional framework of asset reconstruction companies (ARCs) that buys out NPA pools. But banks are generally not willing to sell them. "Very few financial institutions are willing to offload pools at 180 or 360 days. A typical portfolio coming to market would be somewhere from 700 to 1,000 days past due," says Neeraj Mohan, MD & CEO at International Asset Reconstruction Company (IARC).

Public sector banks (PSBs) follow a tender process to empanel agencies, while private lenders opt for a partnership model. The assignment of NPAs by PSBs takes place at branch, zonal, regional, and central office levels. M.B. Hariawala, an ex-banker, started an agency in Mumbai but shut it recently because of payment delays. "People keep changing at PSBs. Payment decisions are stuck for months," he complains. Banks, on condition of anonymity, argue that their primary responsibility is to focus on lending rather than creating resources to man-

Some of the key numbers for retail NPAs

₹29.08
lakh crore
The value of the loan book in the NBFC sector, with retail loans making up 28.05 per cent

₹1.77
lakh crore
Gross NPAs in the NBFC sector, which is 6.1 per cent of the total advances

₹49,000
crore
Share of retail NPAs in the NBFC sector

DATA AS MARCH 31, 2022; **SOURCE** PARLIAMENT QUERIES AND RBI REPORTS

age recovery agencies. “They hand over RBI’s code of conduct and other guidelines, which remain on paper. Their focus is on signing agreements and giving out ID cards to agents,” says a recovery agent.

The lenders, the first line of regulators for recovery agencies, are not doing regular audits to check on their infrastructure, people quality, and systems. For instance, RBI fined RBL Bank ₹2.27 crore for failing to guarantee that its recovery agents had undergone IIBF training before being hired. The bank also failed to ensure pre-employment police verification and failed to inform borrowers of the details of the recovery agency while forwarding the defaulting list. Clearly, the lending institutions share equal blame for the current situation on the ground.

THE CRUCIAL LINK IN THE CHAIN

One and a half decades ago, RBI entrusted the IBA to run a certificate course in debt recovery in consultation with the

Bank of India
Mutual Fund

MUTUAL FUNDS Sahi Hai

JAB BALANCE KI HO MAJBOOT PAKAD TO
MARKET KE UTAR CHADHAV KA KYU HO DARR

Bank of India Balanced Advantage Fund

Dynamic Asset Allocation
Investment across top 100 stocks by market capitalisation
Deals with Market Volatility

PRODUCT LABEL
Risk-o-meter is based on scheme portfolio as on April 30, 2023
Bank of India Balanced Advantage Fund
(An Open Ended Dynamic Asset Allocation Fund)
This Product is suitable for investors who are seeking*:
- Long term capital appreciation
- Dynamic asset allocation between equity and fixed income based on equity market valuations

Investors understand that their principal will be at very high risk.
*Investor should consult their financial advisor if they are not clear about the suitability of the product.

Follow us on:

1800-266-2676 & 1800-103-2263 www.boimf.in service@boimf.in
To know more, scan the QR code

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

IIBF. The governing council of IIBF includes SBI Chairman Dinesh Kumar Khara as chairman and the CEOs of other PSBs as members. Initially, IIBF asked the banks to impart the training. But the requirement was so large that the IIBF empanelled close to two dozen private institutes across the country. After training is completed by empanelled institutes, the IIBF conducts an examination. “We have trained 300,000 agents since the beginning. Last year, it was around 30,000-plus,” says Biswa Ketan Das, CEO of IIBF.

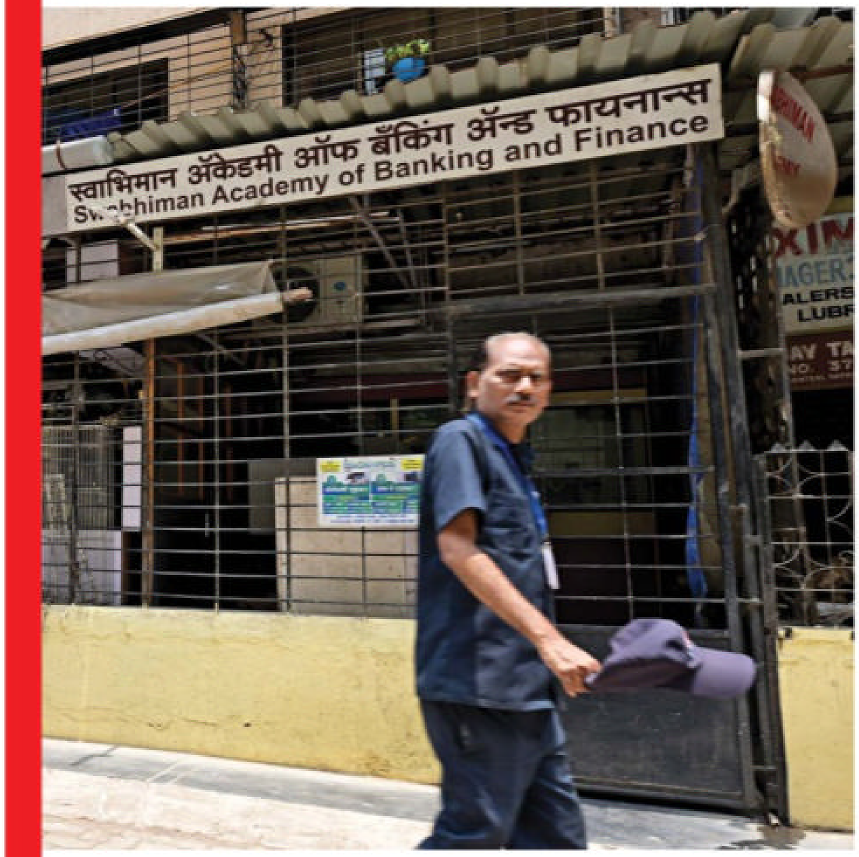
Since graduates don’t join recovery agencies to build a career, the industry ends up getting low-qualified workers. And, IIBF is now getting requests to reduce the minimum qualification from 10th standard. “We are not in favour of changing it at this moment. We are, however, re-looking at increasing the soft skills training,” promises Das. However, these ‘training facilities’ are nothing to speak about. In this digital age, most of them don’t even have a website. They also mirror the ramshackle infrastructure of recovery agencies. Swabhiman Academy of Banking and Finance in Mumbai, which claims to have 43 other centres, has its office located in a shop in Ghatkopar. There are also instances of institutes outsourcing the training work. In November 2021, IIBF had to issue a warning to its empanelled institutes. Plus, of the nearly 10,000 NBFCs in India, only two large ones—Bajaj Finance and HDB Financial—have taken accreditation from IIBF to train their own staff.

There are glaring gaps in training and the examination module as the focus is on banking terminology, products, penal charges, etc. “The debt recovery agent (DRA) course talks about how a cheque instrument and electronic clearing system work. The content is two decades old,” says a private banker on condition of anonymity. Das, however, says IIBF refreshes the training and tests every three years.

There is also a need to overhaul the content on soft skills for dealing with borrowers like women or senior citizens. “Today, 40 per cent of the training is on soft skills,” says N.K. Mishra, an ex-banker who runs the Chhattisgarh-based Abhiyan Academy. Currently, the training for DRAs takes place online, which also raises questions about the attentiveness of candidates. “You need different expertise or tools to teach online, especially soft skills. There are AI tools to see whether all students are attentive in the video. But these institutes don’t have the capital to deploy these,” says a consultant. There should be situational videos on how to behave with difficult or sensitive customers. “There are hardly any workshops or public seminars to discuss recovery issues,” complains a new-age tech player. IBA refused to participate in the story.

RBI’S HANDS-OFF APPROACH

The bank and recovery agency are in a principal-agent relationship. RBI insists that banks must ensure that these agencies or their employees are properly trained on the fair practices code. “The regulator holds the principal accountable



DESOLATE AND DESPERATE The office of Swabhiman Ac
agents, is located in a shop in Mumbai’s Ghatkopar; (*right*)
bears a deserted look

“The whole lending process is now digital... but collection and recovery remain stuck in the past. As banks and NBFCs are working with more sophisticated clients, the number of complaints has increased”

MANAVJEET SINGH
MD & CEO, CLXNS TECHNOLOGIES

PHOTOS BY **MILIND SHELTE**

SK ENTERPRISES
एस के एंटरप्राइजेस
503-C

cademy of Banking and Finance, that trains recovery
the office of a recovery agency in Mumbai's Goregaon

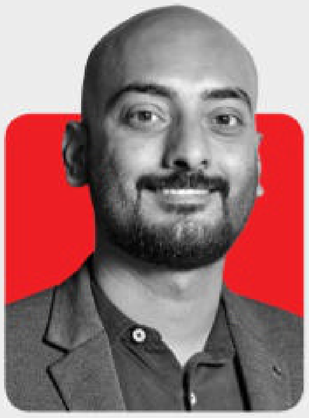
for any wrongdoing by the agent," says a banker (*see box RBI's Tough Stance*). Experts suggest that many of RBI's norms issued recently are mostly repetitions of previous ones, and the key is to implement them effectively.

Currently, there is no framework for ensuring governance as lenders enrol all kinds of small proprietorships. There is no board-level policy specifically for the appointment of recovery agents. *BT*'s investigation found that regional offices of PSBs are entrusted with the task of calling for expressions of interest for the empanelment of recovery agencies. The senior executives of the regional office vet the proposals from recovery agents, which are then put up before the regional head for approval. "There is no information utility or centralised body to check the antecedents of recovery agents," says a player. It is also not humanly possible to check with the other 50 banks about the performance of a recovery agency.

The biggest abnormality—there is no standardisation in eligibility criteria for selecting a recovery agency. For instance, IDBI Bank's eligibility criteria says the promoter should be at least a graduate. "How will you ensure governance or compliance with a graduate at the top?" asks a consultant. Union Bank of India has a progressive criterion that says at least one-third of the partners, directors, and employees should be chartered accountants or advocates or should have worked in judicial, police, tax, and revenue recovery departments of the government or banks for at least 10 years.

Another chink in the armour: there is no monitoring of blacklisted agencies. Fullerton India, an NBFC majority owned by Sumitomo Mitsui Financial Group, terminated the services of Om Sai Management Services, a recovery agency in Dum Dum, Kolkata, for process violations in February 2023. But it figures in the list of recovery agencies on Bank of Baroda's list. When *BT* called the Om Sai office in Kolkata, the person in charge rattled off the names of big private banks that the agency is still working with. Then, IDFC First Bank suspended Ludhiana-based Balak Associates in January 2020 for dishonest work ethics. It also figures in the terminated list of ICICI Bank as of June 2022. But Balak figures in the list of recovery agencies for Home Credit Finance. The consumer finance NBFC responded by saying that "agency empanelment is a detailed exercise encompassing diligent checks on background verification of the vendor, which include KYC checks, market reputation, and infrastructure capabilities."

There are rampant cases of a terminated agency changing its name and directors to restart in a new avatar. For instance, SBI requires its branches and operating units to report blacklisted agencies to the concerned business group, which in turn would send this information to IBA on a monthly basis for circulation to member banks for action at their end. But when *BT* did an RTI with SBI asking for the names of recovery agencies suspended in the past two financial years, the bank said that the information sought is not compiled and maintained



> **"Most recovery agencies run like a one-man army. They have a hand-to-mouth existence... [Digital recovery agencies are taking over softer assignments with] calls via bots, reminders, and collection"**

NIKHIL K. SHETTY
DIRECTOR OF CLIENT RELATIONS, KENSTONE CAPITAL DEBT CONSULTANCY

centrally. Das of IIBF agrees on the need to have a central repository of blacklisted agencies. “We will talk to IBA and banks to have such a centralised system,” he says.

AGENDA FOR CHANGE

The retail debt resolution industry has been rapidly evolving from traditional recovery agencies, ARCs to new-age digital players. “Unlike earlier days, skip tracing is possible today on the strength of tech because of the customer’s digital footprint,” says Ravinder Beniwal, Deputy CEO of IARC. The tech-savvy large agencies are focussed on training & development and compliance. ARCs are also setting up tech platforms in partnership with technology companies. “We are not going to own the platform, but it will be based on a subscription-based model,” says Pallav Mohapatra, CEO & MD at Arcil, an ARC. “Selling to ARCs makes sense as they are regulated institutions with infrastructure and quality people, and their reputation comes first,” says Sanjay Agarwal, Divisional Head-Retail Assets Business at Edelweiss ARC.

Some players are planning to aggregate traditional agencies a la OLA. “We compound our reach by working with conventional resolution agents, controlled and managed via our proprietary governance technology. This is important from a governance, training, and responsibility point of view,” says Kunal Shah, founding team member, Group CFO & Head-Retail Services, TruBoard Partners. He adds that regulators need to take a different approach to defaulters. “It’s important to differentiate between delinquent and standard customers. The sharing of customer-level data by lenders should be guided by a differentiated approach,” he says. Currently, RBI doesn’t allow the sharing of defaulting customer data.

“We have had a lot of attempts at data mutualisation in the corporate space, right from the central repository of information on large credits (CRILC) data to reporting defaults. We haven’t had enough mutualisation efforts on the consumer side,” says Patel from Acies. Currently, agents are groomed to bring back the money with no power to restructure or offer a tailored repayment plan. Patel suggests that a more likely resolution would happen where a recovery agent understands how to restructure cash flows. On the recovery side, there is a need for a framework similar to how agency models in insurance are regulated. “It should be more of a financial planning skill with more skin in the game for a continuing payout on the debt restructured by the recovery agency,” advises Patel.

Borrowers’ Bible

What to do if you are pursued by a recovery agent

Record all interactions—text messages, calls and emails—from the recovery agent

Write to the recovery agency, bank or RBI’s Ombudsman listing the violations of the regulator’s code

File a police complaint and document all the interactions

File a civil suit in court for relief if the police complaint doesn’t yield any result

File a defamation suit against the bank and its agent if they call your friends or relatives

File an extortion case against recovery agents if they forcefully recover money

Source: Industry

While sympathy often lies with the defaulter in our society, new recovery tools and tech are also tightening the noose around rogue borrowers. “If there is a notorious customer, then the agency should flag this to the principal, and legal remedies should be explored,” suggests a retired central banker. According to lenders, the customer escalation rate (those disputing) of the total defaulting customers is less than 5 per cent. “Social media has also corrupted their minds,” says a player (*see box Borrowers’ Bible*).

Despite the hurdles, recovery agencies continue to play an essential role in the financial system. Ultimately, those borrowers who misuse the banking system will have to face the consequences of their actions. Because, *EMI liya hai to chukana padega*. **BT**

@anandadhikari

G20
भारत 2023 INDIA
75 Azadi Ka Amrit Mahotsav
POWERGRID
Transmitting Power,
Transforming Lives...

Extract of the Financial Results for the Quarter and Year ended 31st March 2023

(₹ in Crore)

S. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
		(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1.	Total Income from Operations	12,288.31	10,941.93	45,968.07	42,335.87	12,557.44	11,067.94	46,605.64	42,697.90
2.	Net Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	5,170.58	3,671.31	17,471.12	16,045.31	5,335.30	3,764.78	17,701.62	16,289.31
3.	Net Profit before Tax (after exceptional items) (including Regulatory Deferral Account Balances (net of tax))	5,170.58	4,261.24	17,471.12	19,804.82	5,335.30	4,071.14	17,701.62	19,609.64
4.	Net Profit after Tax for the period	4,214.40	4,320.64	15,333.02	17,093.76	4,320.43	4,156.44	15,417.12	16,824.07
5.	Total Comprehensive Income comprising net Profit after Tax and Other Comprehensive Income	4,177.72	4,313.21	15,226.32	17,384.69	4,285.67	4,149.51	15,312.62	17,115.21
6.	Paid up Equity Share Capital (Face value of share: ₹10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
7.	Reserves (excluding Revaluation Reserve) as shown in the Balance sheet	75,857.51	69,176.12	75,857.51	69,176.12	76,039.06	69,271.68	76,039.06	69,271.68
8.	Securities Premium Account	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43
9.	Net worth	82,832.96	76,151.57	82,832.96	76,151.57	83,014.51	76,247.13	83,014.51	76,247.13
10.	Total Borrowings	126,594.90	134,665.27	126,594.90	134,665.27	126,594.90	134,665.27	126,594.90	134,665.27
11.	Debt Equity Ratio	1.53	1.77	1.53	1.77	1.52	1.77	1.52	1.77
12.	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	6.04	6.20	21.98	24.51	6.19	5.96	22.10	24.12
13.	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	6.07	7.10	21.61	25.25	6.23	6.87	21.75	24.88
14.	Bonds Redemption Reserve	4,168.17	5,532.80	4,168.17	5,532.80	4,168.17	5,532.80	4,168.17	5,532.80
15.	Debt Service Coverage Ratio	0.90	2.15	1.52	1.61	0.92	2.14	1.54	1.61
16.	Interest Service Coverage Ratio	3.84	4.58	3.93	4.61	3.98	4.57	4.02	4.70

Notes: 1) The above is an extract of the detailed format of quarter and year ended Consolidated and Standalone Financial Results filed with the Stock Exchanges under Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarter and year ended Consolidated and Standalone Financial Results is available on the Investors section of our website https://www.powergrid.in and under Corporates Section of BSE Limited & National Stock Exchange of India Limited at https://www.bseindia.com and https://www.nseindia.com respectively.

2) Previous periods figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**
Sd/-
G Ravisankar
Director (Finance)

Place : Gurugram
Date: 19th May 2023

पावरग्रिड
POWERGRID

POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016
Corporate Office: "Saudamini", Plot No. 2, Sector-29, Gurugram-122001, (Haryana)
CIN : L40101DL1989GOI038121

Follow us on:
www.powergrid.in

Important Notice: Members are requested to register/update their e-mail ID with company/Depository participants/company's registrar & Transfer Agent (KFINTECH) which will be used for sending official document through e-mail in future.

A MAHARATNA PSU

TECH TITANS:
ONE ROOF, INFINITE INSPIRATIONS

Ashwini Vaishnaw
Minister for Railways, Communications,
Electronics & Information Technology,
Government of India

N.R. Narayana Murthy
Founder, Infosys

Anas Rahman Junaid
Founder & MD,
Hurun India

Upasana Taku
Chairperson, Co-Founder and COO,
MobiKwik

Kanishk Gaur
Founder and CEO,
India Future Foundation

techtodaycongress.in

INDIA TODAY GROUP

Rajeev Chandrasekhar
Minister of State for Skill Development and Entrepreneurship and Electronics and Information Technology

Rajan Navani
Founder & CEO, JetSynthesys

Sindhu Gangadharan
Managing Director & SVP, SAP Labs India

Muralikrishnan B
President, Xiaomi India

Mahankali Srinivas Rao
Chief Executive Officer, T-Hub

SRM
INSTITUTE OF SCIENCE & TECHNOLOGY
(Deemed to be University u/s 3 of UGC Act, 1956)

PRESENTS

bt Business Today Tech Today CONGRESS

2ND JUNE, BENGALURU

btTV www.businesstoday.in @BusinessToday @Business_Today @Business_Today @BusinessToday @BusinessToday

MONEY-PAL

BIG PLANS The Manipal hospital in Dwarka, Delhi

manipal hospitals

RISING RETURNS

- INDIA'S HEALTHCARE SECTOR SAW PE FIRMS INVESTING AROUND $2.5 BILLION IN 2022; IT WAS AROUND $2.1 BILLION IN 2021, PER EY
- CARLYLE AND BRITISH INTERNATIONAL INVESTMENT ALSO EXITED DURING THE IPOs OF MEDANTA (GLOBAL HEALTH) AND RAINBOW HOSPITALS, RESPECTIVELY, IN 2022
- IN 2022, THE HEALTHCARE SECTOR DELIVERED STRONG RETURNS TO INVESTORS, MAKING UP NEARLY 16 PER CENT OF TOTAL EXITS AT $3.5 BILLION, PER BAIN & COMPANY
- HEALTHCARE PROVIDERS CONTINUE TO FOCUS ON GROWTH LED BY SCALE EXPANSION, INCREASED SPECIALISATION, AND COST OPTIMISATION INITIATIVES, WHICH HAVE RESULTED IN IMPROVED UTILISATION AND BETTER MARGINS
- THE YEAR SAW KKR'S EXIT FROM MAX HEALTHCARE, WITH AN EXIT VALUE OF $1.6 BILLION IN FOUR YEARS. ANOTHER LARGE EXIT WAS EVERSTONE'S FROM SAHYADRI HOSPITALS
- WITH ROBUST AND STREAMLINED MODELS EMERGING AFTER COVID-19, LISTED HEALTHCARE PROVIDERS HAVE GENERATED TWO TO THREE TIMES THE RETURNS OF THE NIFTY INDEX IN RECENT YEARS

BY **NEETU CHANDRA SHARMA**

PHOTO BY **HARDIK CHHABRA**

TEMASEK'S ₹16,400-CRORE DEAL TO ACQUIRE A MAJORITY STAKE IN MANIPAL HEALTH POINTS TO AN INCREASING TREND OF CASH-RICH PRIVATE-EQUITY FIRMS ACQUIRING CONTROLLING STAKES IN INDIA'S HEALTHCARE SPACE

THE SOUND OF construction crews working in commercial spaces has been a constant accompaniment to life in a metro city for the past few years. Earlier, this din was associated with some shopping mall coming up; then it was co-working spaces; in recent times, it has mostly been hospitals—either existing ones being given a glitzy makeover or new ones being built.

But such developments cost money—which the private healthcare space has in ample amounts thanks to healthy investor interest, especially from private equity (PE) players. Take the recent case of Manipal Health Enterprises, in which PE major Temasek acquired a majority stake for ₹16,400 crore, at a valuation of ₹40,000 crore. Temasek, which already held an 18 per cent stake in the hospital chain, acquired another 41 per cent. "We are excited about the growth prospects in the healthcare services sector in India, and Manipal hospitals is an important part of this sector. In line with our governance approach, we will continue to look towards the Board and management team to drive the business, including looking at organic and inorganic growth opportunities," Ravi Lambah, Head of Investment Group and Head-India at Temasek, tells *BT*.

According to consulting firm EY, the healthcare sector has attracted investments of more than $8 billion over the past five years; this is around 5 per cent of the total PE investments in the country in that period. In 2022, PE firms invested around $2.5 billion, while the number was around $2.1 billion in 2021, per EY. "Clearly, we are seeing that there is an accelerated pace in PE investment [into healthcare] post-Covid-19. We are seeing 2.5-3x of the investment value of what it was three to four years ago," says Kaivaan Movdawalla, Partner and Healthcare Sector Leader at EY India.

Industry analysts also see the Temasek-Manipal deal as part of a burgeoning trend of global PEs doing control deals in the Indian healthcare sector, especially in the past two to three years. This mirrors the global trend where many large PE firms have done control deals in the healthcare sector. The trend is most prevalent in the US and Europe, with PE majors such as Blackstone, Apollo, Carlyle, KKR & Co. and Warburg Pincus being some of the largest investors. Besides hospitals, globally the larger PE control deals have been in nursing homes, health information technology, staffing companies, medical supplies and health tech.

FOCUS ON INDIA

But why are global PE firms homing in on the healthcare space in India? One reason is robust returns. For instance, KKR, which exited Max Healthcare in 2022, got a return of nearly 5x. In fact, 2022 was a year of marquee healthcare exits, which made up about 16 per cent of India's total exit value at $3.5 billion, says consulting firm Bain & Company's 'India Private Equity Report 2023'. Besides KKR's $1.6-billion public market exit from Max Healthcare, the other large exits were Everstone's from Sahyadri Hospitals, and Carlyle's and British International Investment's IPO-led exits

WHY GLOBAL PE FIRMS ARE INVESTING IN INDIAN HOSPITALS

Growing demand: The demand for quality healthcare services in India is increasing rapidly due to a rise in chronic diseases, a growing middle class population, and an increase in healthcare spending. This makes the hospital sector an attractive investment opportunity

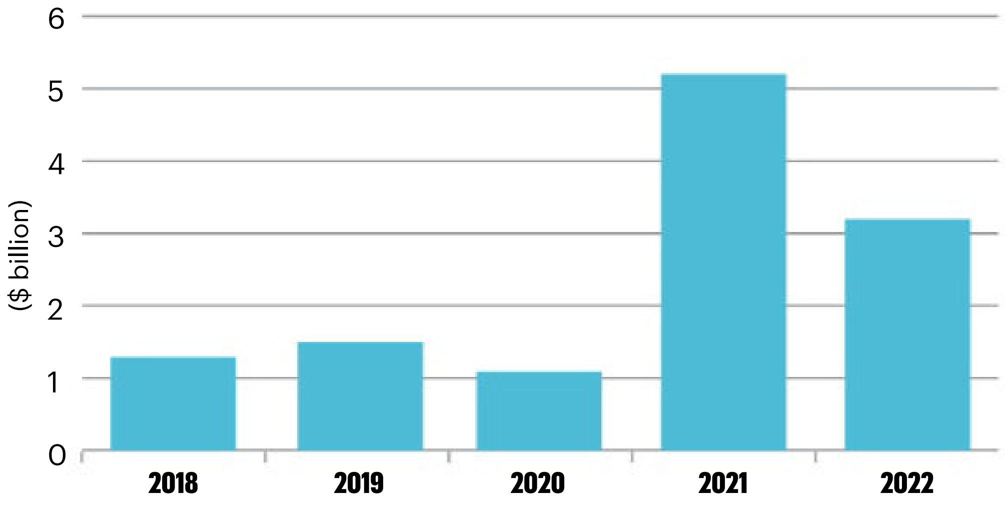
Favourable regulatory environment: The Indian government has introduced several measures to encourage private sector investments in the healthcare sector, including tax benefits, subsidies and the establishment of SEZs

Improved infrastructure: India's healthcare infrastructure has significantly improved in recent years, with more hospitals being built and equipped with modern facilities and tech

Potential for high returns: The Indian hospital sector offers high growth potential and attractive returns on investment, which make it an attractive destination for global PE firms

EYE ON HEALTHCARE

Investments in India's healthcare sector in the past five years...



■ Total Funding

Source Tracxn

...with some examples of global PE firms that invested in the space

- **KKR & CO.:** Invested in several hospitals, including Max Healthcare and Radiant Life Care
- **TPG Capital:** Invested in Manipal Health, one of the country's largest hospital chains
- **Carlyle Group:** Invested in Metropolis Healthcare, a leading diagnostics services provider
- **Advent International:** Invested in CARE Hospitals, one of the largest hospital chains in India
- **Blackstone:** Invested in Mphasis, a healthcare IT services provider; it is reportedly in talks to acquire a stake in Global Hospitals, another leading chain

Source Industry

from Medanta (Global Health) and Rainbow Hospitals, respectively.

Investors are increasingly looking at India's healthcare sector for secular returns amidst turbulent tides, with an increase in interest in healthcare providers, pharma, diagnostics and single-speciality providers since 2020, says the Bain report. Other factors that make the space attractive could be that many investors are familiar with the assets as these have gone through several rounds of due diligence and rank high in terms of governance, says Ankit Poddar, Director at consultancy Candle Partners, who leads the healthcare practice.

Healthcare providers, says the Bain report, continue to focus on growth, led by scale expansion through consolidation by large players and brownfield expansion, increased specialisation in service mix and cost optimisation initiatives. This has led to high average revenue per occupied bed, improved utilisation, and increased margins. "With robust and streamlined models emerging out of Covid-19, listed health providers have generated 2-3x the returns of the Nifty index in recent years," it says.

Temasek's Lambah says the healthcare sector is growing rapidly and attracting capital to fund this growth. "To serve this growth, several hospital chains have grown organically, across large cities, metros, and smaller towns. There has been consolidation amongst hospital chains, and we expect this organic and inorganic growth to continue," he says, adding that there is a large, underserved population that would benefit from access to the best possible healthcare services. "In addition, hospitals will need to cater to the ageing population, improve resource and operational efficiencies, manage rising costs, and achieve better patient outcomes," he says. The Covid-19 pandemic, he adds, has highlighted the need for greater supply chain resilience and the potential of digitalisation in addressing this challenge. "Amidst global headwinds, as investors remain disciplined on valuation, growth prospects in the sector make it a favourable destination for capital. We see an opportunity for strategic consolidation where strong management can drive synergies for long-term value creation."

CONSOLIDATION

The private healthcare sector in India has seen consolidation in recent years. "The fragmented market structure, with a large number of hospitals, has led to consolidation, and the trend has accelerated post-Covid-19," says EY's Movdawalla. India has around 45,000-50,000 hospitals, but only 3 per cent of them have more than 100 beds, per EY. In the US and China, the number is 40-45 per cent.

Movdawalla says the demand for quality private healthcare is increasing. "The higher preference for quality hospitals is driven by consumer choice, increased health insurance penetration, and increased sensitivity towards health after the pandemic," he says. "The organised players will dominate the home markets, venture into Tier II markets, and participate in the entire continuum of care."

Further, as the growing needs of longevity are bringing new opportunities and challenges—leading to a growing demand for healthcare across markets and age demographics—companies like Temasek are seeing this play out in India. "This trend is underpinned by changing consumption patterns, like the growing middle-income population and increased demand for clinical excellence and specialities, enabled by technological advances. The pandemic has also exacerbated this shift by spotlighting the importance of quality healthcare," says Lambah.

According to AltG, a financial services firm, the Indian hospital sector is on the brink of a momentous expansion. "The KKR-Max deal is a testament to the success of the hospital roll-up playbook. The Temasek-Manipal deal has further bolstered its potential," said Poornima Vardhan and Taponeel Mukherjee, Principals at AltG, in an emailed response. They add that the trend towards single-speciality hospitals is also gaining momentum, citing Temasek's investment of ₹1,050 crore in the eyecare chain, Dr Agarwal's, in May 2022.

The current supply of quality hospital beds in metropolitan areas stands at just 0.6 per 1,000 individuals, says AltG. Given the anticipated growth of India's urban population from 483 million in 2020 to 675 million in 2035, an estimated 120,000 more hospital beds will be needed. Considering the average earnings per bed for a hospital chain at ₹5.8 lakh a year, total annual revenues from these additional beds are estimated to be ₹6,992 crore (or around $0.85 billion). The present sector price-to-earnings ratio (P/E) of around 65, therefore, indicates an additional market capitalisation of $55 billion for the hospital sector in this segment in the next few years, per AltG.

"Amidst global headwinds, as investors remain disciplined on valuation, growth prospects in the sector make it a favourable destination for capital"

RAVI LAMBAH
HEAD OF INVESTMENT GROUP AND HEAD-INDIA, TEMASEK

"A lot of capital is needed in private healthcare in India, which comes in the form of either investments or from large conglomerates or from PE funds. Thus, PE money is critical for fuelling faster growth of the industry"

RANJAN PAI
CHAIRMAN, MANIPAL EDUCATION AND MEDICAL GROUP

MANIPAL AND MORE

For hospitals to grow, it will require funds. "A lot of capital is needed in private healthcare in India, which comes in the form of either investments or from large conglomerates or from PE funds. Thus, private equity money is critical for fuelling faster growth of the industry," says Ranjan Pai, Chairman of Manipal Education and Medical Group. He adds that for Manipal Health Enterprises, there will be no change in the management structure after the Temasek deal, with the promoters being as involved as earlier. "We will continue to invest in the platform each time funding requirements come up. Although Temasek has a larger stake, it will be a consensus-run company," he says. Pai has big plans for Manipal. The Board has approved its growth plan for the next five years. The chain will launch two greenfield hospitals in Bengaluru and Raipur, adding another 1,100 beds in the next 18-36 months. Plus, it expects to add another 2,500 beds over the next three years via the inorganic route, adds Pai. Similarly, Fortis Healthcare, another major hospital chain, is planning to expand. Besides brownfield expansion, CEO Ashutosh Raghuvanshi says Fortis plans to add 1,400 beds at its existing hospitals and may also look at acquisitions.

All this is music to Temasek's ears. "We are open to participating in strategic M&A deals if the right opportunities arise. We'll continue to seek opportunities that are aligned with our structural trends, and conduct bottom-up intrinsic value analysis for each investment we make," says Lambah, who has his chequebook ready. **BT**

@neetu_csharma

MUTUAL FUNDS *Sahi Hai*

An investor education initiative by

LIC MUTUAL FUND

It is our team's diversity that enables us to emerge victorious in the game.

In cricket and investment, diversification is a key factor in reducing risks and achieving wealth creation!

You May Consult Your Financial Advisor & Start Investing

"Visit here https://licmf.info/KYCredressal to learn more about KYC requirements, SEBI Registered Mutual Funds and Grievance redressal."

Connect with us: /LICMutual /LICMutual /company/LICMutual ☎ 1800-258-5678 www.licmf.com

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

‘Disruption can be turned into an opportunity’

Puneet Chhatwal, MD & CEO of IHCL, that runs the Taj group of hotels, explains why it is important for hotels to be present across segments in India, his company’s plans and more

PHOTOS BY **MANDAR DEODHAR**

A visit to the Presidential Suite at the Taj Mahal Palace hotel in Mumbai is an overwhelming experience. It is very large, luxurious and has had an impressive guest list. Surprisingly, it is the first time that Puneet Chhatwal, MD & CEO of The Indian Hotels Company Ltd (IHCL)—that runs the Taj group of hotels—is here. It is an indication of how busy the man, who joined as IHCL’s big boss in November 2017, is as travel takes away most of his time. Now, he is as busy as ever with new hotel openings and innovative product offerings. Chhatwal, who has spent more than 40 years in the space, explains why he is optimistic about India in an interview with *Business Today*’s *Sourav Majumdar* and *Krishna Gopalan.* Edited excerpts:

Q: Can you tell us about IHCL’s transition from hotels to a bigger play in hospitality?

A: We were always in hospitality. The concept of a flight kitchen is not new, nor is Vivanta. Some additions to our portfolio are SeleQtions [signature hotels and resorts], home stays [amã Stays & Trails] and home delivery [Qmin].

In India, I would like to think the concept of hospitality was focussed on just a service. It was important that we had a good look at the business. I had the advantage of working overseas for many years... [and] saw from close quarters the success of Ibis for instance [in France] or Premier Inn in the UK. Premier Inn has over 5,000 hotels in this category [a limited service chain]. What’s the limit for that in India?

I started my career with flight kitchens. Today, TajSats has 58 per cent market share of all domestic meals. Those kitchens can be used as cloud kitchens as well... [it is an] untapped opportunity. Taj is not just our brand, but the crown jewel of this nation. This is everybody’s Taj. It is very special.

When I joined, we went for a multi-brand strategy and created the largest hospitality ecosystem... We embarked on a journey of growth—gain not just in the number of rooms, but growth in revenue and margins—and we succeeded for nine consecutive quarters. Then came Covid-19 and lockdowns. The last four quarters have been phenomenal and the outlook going ahead looks good.

Q: The Covid-19 pandemic has been a tough time for all. How did it make IHCL more resilient in the midst of a very challenging business environment?

A: There is a fundamental human need for business and leisure and you cannot take that away. That is a huge plus working in our favour. However, in India, the landscape is not easy since connectivity is a challenge... Often, planning travel in India is difficult because of air connectivity. Over time, good infrastruc-

ture will assist our business and bring in scale. We are present in 125 destinations across the world and good connectivity [in India] augurs well for our business.

Q: Obviously, the scale that you possess is a huge advantage...
A: Yes, our corporate overhead as a percentage of sales has steadily been going down. As you become more efficient with operations, that number goes straight to the bottom line. We have 188 properties today. That said, there is still pressure on costs and now with business coming back, the cost of hiring too has gone up. We suffered a lot less, but the fact is that salary costs are higher. We are probably among the few players in hospitality that paid both parts of the salary component—the fixed portion and the variable [during the Covid-19 pandemic].

Q: How have skill sets in your industry changed over time? One constantly hears of a talent shortage across sectors.
A: People knew their guests in the past but these days, a lot has changed. Gadgets are a big thing and that is a generational change.

The question is, what are we doing as an organisation? All our key employees don't retire completely. They are involved in areas like conducting heritage walks; [some] played a part in relaunching The Chambers in Delhi... our sector is more convenience-driven and some of these skills cannot be lost.

Q: What is the approach towards owning property versus the fee-based operating model? Your target is to have a 50:50 split between the two.

A: At one point, the traditional model of owning property was 77 per cent... Today, we are at 56 per cent, while the other 44 per cent is fee-based. Therefore, we are very much on course as far as the target goes. Having said that, only going asset-light is not the right structure since it's a lot of work for very little value creation.

Q: How do you decide on the approach?

A: It is always opportunity-driven. In key markets, we want to own the asset. In other markets, it is a revolving-door approach. With Taj, we would be definitely getting close to the 50:50 split. The name is so strong that you will get management contracts. With Ginger, we will be asset-heavy going forward since a lot of it is leased and that is counted as being as good as owned. The reason for a large chunk of it being leased is because the revenue is small. We need a lot of properties to make it a viable business... at least 500 of them. Again, it is necessary for scale to kick in if you adopt a purely asset-light [model]—since the ticket size is lower than the luxury [segment].

Q: How has the revenue pie across your properties changed over time?

A: Pre-Covid-19, 50 per cent of the business came from our Taj properties. We are now at 70 per cent. That said, the overall revenue has grown and so has the share. In 2016-17, Taj had 41 hotels and today, that number is at 81. Now, 24 of them had been Taj properties but [had been] rebranded to Vivanta; now they have been upgraded by effective asset management. Our ambition is to have 30-40 per cent of the business from Taj. In an ideal world, it should be equally split between Taj and non-Taj. Just to give you some perspective, the revenue of this [Taj] hotel will be ₹700 crore, while the entire Ginger range in two to three years from now, with its 100 hotels, will do ₹700 crore.

On the portfolio mix, you will need all the formats since India is heterogeneous... Having a range means the customer is with you at all times.

Besides, volatility and cyclicality are big factors, where the latter results in the former. The lower you go down from the Taj, the less is the nature of the fixed-cost business, with a higher proportion of variable costs. That is a cushion in bad times. We are doing well

"AI will not replace services. You don't want to go to a palace hotel and use a mobile phone to open the door. It is a very intimate, personal experience... I think we will always be a service-driven business and that part is in need of the human touch"

INDIA TODAY CONCLAVE 2023 SOUTH

PRESENTED BY

kerala
God's Own Country

INDIA TODAY GROUP

THURSDAY FRIDAY
01-02
JUNE

THE LEELA RAVIZ, KOVALAM
KERELA

BOOK YOUR SEAT NOW
LOG ON TO:
www.indiatodayconclave.com/south

Designed by : CUT Creative Unit Today

POWERED BY
KALYAN JEWELLERS

KNOWLEDGE PARTNER
HINDUSTAN INSTITUTE OF TECHNOLOGY & SCIENCE (DEEMED TO BE UNIVERSITY) CHENNAI

LUXURY DESIGN PARTNER
Fenesta Better by Design
India's No.1 Windows & Doors Brand

STEEL PARTNER
SHYAM STEEL SHYAM TMT REBAR

CELEBRATION PARTNER
Radico SPIRIT OF EXCELLENCE

HEALTH PARTNER
AMRITA HOSPITAL KOCHI
Embrace Good Health

INTERNATIONAL SCHOOL PARTNER
SSVM INSTITUTIONS COIMBATORE

PARTNER
NECC NATIONAL EGG CO-ORDINATION COMMITTEE

ASSOCIATE SPONSOR
KIIFB

HOSPITALITY PARTNER
50 Golden Years of Kovalam

since we are benefitting from the operating leverage in the old hotels and also through the asset-light fee that we are getting.

Q: How do you make a difference between Ginger and Vivanta in terms of positioning?

A: A room at Ginger has an area of around 200 sq. ft, but Vivanta is larger at 300 sq. ft, with more public areas, like a swimming pool. Vivanta targets the upscale segment, while Ginger is a mid-scale offering.

There are a few changes we made in Ginger. In 2018, we added a lifestyle component... [Now] it is a combination of quality and customer engagement.

On the other brands, Qmin has become larger and is more than just delivery. It is profitable and has 25 outlets, of which 18-19 are in Ginger. Soon, we will join hands with large business houses with the objective of serving their staff at a reasonable price.

Q: You have a set of robust brands. Are there plans to hive away any of them as a separate entity?

A: No, we will keep all of them. We are expanding our hospitality ecosystem in which many brands that existed are being treated as standalone businesses. Take the case of The Chambers, which was put together over 40 years ago to serve the Taj. That is now opening in other locations.

Q: What is the plan on the overseas front? Will you be aggressively looking at acquisitions?

A: We have to grow internationally with the Taj. We first wanted to regain lost ground at home... It is important for us to be clear that we come from India and want to be the largest hospitality ecosystem here. On the basis of how things are playing out here, the Indian portfolio is growing and very soon will hit 270 hotels.

Just to elaborate on opportunities in other markets globally, we need to add hotels in Europe and wherever Air India is flying or for that matter, wherever there is a significant Indian diaspora. We want to benefit from that and are already working on leads... There are a few handicaps we face if we want to look at locations like Munich, Zurich or Amsterdam. There are issues on local tax laws, local languages—you can hire people but it is important to get the right mix. That takes time and one must be honest that it can be a bit of a challenge.

ON THE BUSINESS MIX

Our ambition is to have 30-40 per cent of the business from Taj. In an ideal world, it should be equally split between Taj and non-Taj. Just to give you some perspective, the revenue of this [Taj] hotel will be ₹700 crore, while the entire Ginger range in two to three years from now, with its 100 hotels, will do ₹700 crore

ON FUTURE PLANS

In 2025, we will be at more than 300 hotels across the globe. We do need a presence in Bangkok and Singapore, to name a few locations. From where we are placed, we can dominate the subcontinent and Dubai before starting to look around

ON EXPANDING GLOBALLY

We need to add hotels in Europe and wherever Air India is flying or wherever there is a significant Indian diaspora. We are already working on leads... There are a few handicaps we face if we want to look at locations like Munich, Zurich or Amsterdam. There are issues on local tax laws, local languages—you can hire people but it is important to get the right mix. That takes time and it can be a bit of a challenge

Q: How will the form and shape of the organisation be in three to five years in terms of properties?

A: As we have said publicly, in 2025, we will be at more than 300 hotels across the globe. We do need a presence in Bangkok and Singapore, to name a few locations. Success in this business is not just adding dots on the map but creating sustainable value. From where we are placed, we can dominate the subcontinent and Dubai before starting to look around.

Q: How do you strike the right balance between allocation of capital and margins?

A: Development is an art and a science. Hence, we need a balanced portfolio and that's why we have the focus on different formats. Ginger is quickly scaling up, while Taj is making the big investments. We can easily adopt an asset-light model and to scale up, we need to do it with Ginger, Vivanta, amã, Qmin—these four are critical.

Q: You are at the core of the services industry story. With so much talk on AI, what is your approach to this?

A: AI will not replace the services. You don't want to go to a palace hotel and use a mobile phone to open the door. It is a very intimate, personal experience. That said, we have been using the enablers very effectively, but I think we will always be a service-driven business and that part is in need of the human touch.

Q: One is seeing disruptions in the hospitality industry. Would you see any threat from the likes of OYO?

A: I think we are blessed since it is difficult to disrupt assets like these. All the online travel companies only help in increasing our reach... To me, the disruption can be converted into an opportunity. It really comes down to the market opening up and that is good for us. **BT**

@TheSouravM, @krishnagopalan

INDIA TODAY GROUP

INDIA TODAY CONCLAVE 2023 SOUTH

PRESENTED BY

kerala
God's Own Country

PINARAYI VIJAYAN
Chief Minister, Kerala

THURSDAY FRIDAY
01-02
JUNE

THE LEELA RAVIZ, KOVALAM
KERELA

BOOK YOUR SEAT NOW
LOG ON TO:
www.indiatodayconclave.com/south

Designed by : CUT Creative Unit Today

POWERED BY
KALYAN JEWELLERS

KNOWLEDGE PARTNER
HINDUSTAN INSTITUTE OF TECHNOLOGY & SCIENCE (DEEMED TO BE UNIVERSITY) CHENNAI

LUXURY DESIGN PARTNER
Fenesta Better by Design
India's No.1 Windows & Doors Brand

STEEL PARTNER
SHYAM STEEL SHYAM TMT REBAR

CELEBRATION PARTNER
Radico SPIRIT OF EXCELLENCE

HEALTH PARTNER
AMRITA HOSPITAL KOCHI
Embrace Good Health

INTERNATIONAL SCHOOL PARTNER
SSVM INSTITUTIONS COIMBATORE

PARTNER
NECC NATIONAL EGG CO-ORDINATION COMMITTEE

ASSOCIATE SPONSOR
KIIFB

HOSPITALITY PARTNER
50 Golden Years of Kovalam

THE GREAT ENABL

PHOTOS BY **KRISHNENDU HALDER**

T-Hub’s 10-storey facility is a captivating blend of contemporary architecture and design that encourages collaboration

ER

T-HUB'S EXPANDING FOOTPRINT

150 MENTORS

350 CORPORATE PARTNERS

WITH THE WORLD'S LARGEST INNOVATION CAMPUS AT ITS DISPOSAL, T-HUB IS BEGINNING TO PLAY A PIVOTAL ROLE IN TURBOCHARGING HYDERABAD'S START-UP ECOSYSTEM

BY **BINU PAUL**

A CHANCE ENCOUNTER with a neighbour. An unexpected conversation, and off the two guys went to beat their start-up idea into shape. Once ready, Sandeep Bommireddi and Sravanth Gajula—Co-founders of AdOnMo that operates digital-out-of-home ad boards—pitched their idea to the mentors at T-Hub. But as fate would have it, their first application was shot down.

But the co-founders who had met while working for Microsoft, were not ready to give up just yet. They knew that getting into T-Hub—that was operating from a 70,000 sq. ft facility located within the International Institute of Information Technology (IIIT) Hyderabad campus back then—would prove to be a game changer for their start-up. After months of persistent efforts, the start-up was finally admitted into one of the cohorts that T-Hub 1.0 was running.

"We had to apply multiple times to get into T-Hub. It took us a good seven to eight months," Bommireddi says, adding that the opportunities inside the hub exceeded their expectations.

Although the programmes being offered by T-Hub at the time had not evolved into the structured set of modules it offers today, the budding entrepreneurs found enough guidance that they could give live demos of their product at the investor interactions and industry connects that T-Hub organises regularly.

The big break for AdOnMo came in 2018 when a delegation from IKEA—that included Jesper Brodin, CEO of Ingka Group that operates the IKEA stores—was visiting the facility. Back then, the Swedish furniture giant was preparing to launch its first store in India, in Hyderabad, and the start-up got an opportunity to showcase its products to IKEA. Within three months, AdOnMo, still in the pre-revenue stage, received an assignment to run IKEA's marketing campaign for the launch.

"Because IKEA came in as a client, we were able to convince investors to raise money. They [IKEA] connected us to their marketing agency GroupM, who took us to their clients, and it started a ripple effect. We got connected to Amazon through them. Today IKEA and Amazon are among our top clients," says Bommireddi, who has also received funding from Zomato. Today, AdOnMo has grown into a 900-member organisation with 14 offices nationwide.

A RUNWAY FOR GROWTH

Bommireddi is not the only one who dreamt of getting into T-Hub, set up by the Telangana government to incubate start-ups. There are many like him who aspire to get into a facility like T-Hub, which is gradually turning into one of the largest and most vibrant start-up innovation campuses in the country. And not without reason.

The 10-storey facility is a captivating blend of contemporary architecture and design that encourages collaboration. With its vibrant colours and bustling ambience, the place is purpose-built

T-HUB'S EXPANDING FOOTPRINT

35
PARTNER UNIVERSITIES

42
TRADE CONSULATES

90
INNOVATION PARTNERS

3,000
START-UPS THAT ENGAGE WITH THE T-HUB ECOSYSTEM

to inspire young minds. T-Hub CEO Srinivas Rao Mahankali, fondly called MSR, says the structure was designed to shatter the stereotype of dull government buildings, by making it swanky, with an aura that exudes new-age appeal.

Built on part of the 18-acre plot of land in Hyderabad's HITEC City, T-Hub can accommodate 800-1,000 start-ups and 2,800 seats at full capacity. Currently, it engages with over 500 start-ups, of which 341 operate from the facility, occupying 1,157 seats. The ground floor houses two banks—ICICI Bank and HDFC Bank—that offer banking services and collateral-free loans exclusively to T-Hub members. The first and second floors have a number of experience centres (such as Apple's) and Centres of Excellence (CoEs) from firms such as Apollo Tyres, Hexagon, NPCI, etc. But a flashy facade void of impact renders the structure irrelevant. MSR says T-Hub delivers on the foundational principle—of crafting an unrivalled start-up ecosystem—by empowering and synergising innovation across start-ups, corporates, academia, and the government.

The Telangana government has already invested ₹400 crore, while MSR indicates that the remaining portion needs another ₹40 crore to finish. Set up as a non-profit, T-Hub already has enough cash flow to run its operations, with nearly 40 per cent of its revenues coming from the co-working rental business, and corporate programmes bring in another 40 per cent. Start-up incubation programmes account for about 14-15 per cent, while the rest comes from its funding desk.

IMPACT PLAYER

T-HUB'S CORE FUNCTION IS TO RUN INNOVATION PROGRAMMES IN TELANGANA FOR START-UPS, CORPORATES, ACADEMIA AND GOVERNMENT

T-HUB RUNS INCUBATION AND ACCELERATION PROGRAMMES FOR KEY GOVERNMENT DEPARTMENTS

IT HAS WORKED WITH OVER 200 FOREIGN START-UPS WHILE RUNNING THE INCUBATORS OF OTHER COUNTRIES

T-HUB HAS IMPACTED 17,000 STUDENTS FROM 35 COLLEGES IN THREE STATES THROUGH ACADEMIC ENGAGEMENTS

To be sure, T-Hub is part of the larger innovation network in Telangana that includes WE Hub—dedicated to women entrepreneurs; T-Works—for rapid prototyping of hardware products; Telangana State Innovation Cell (TSIC) and Research and Innovation Circle of Hyderabad (RICH), among others.

These entities are non-profits, with independent boards, separate managements and reporting structures. And they are all self-sufficient. "Hyderabad is known as the city of pearls. With a view to building a new-age state, the government has created a set of entities like a string of pearls that are focussed on innovation and entrepreneurship. T-Hub is the crown jewel in that piece," says MSR.

As of now, six of the 10 floors in the nearly 600,000 sq. ft building are operational, while the heart of T-Hub 2.0's operations is on the third floor where various teams, including the leadership, sit. It also houses the offices of partners such as RICH and TSIC. The fourth floor is dedicated to co-working, while the fifth floor is designed for events with a 400-seat auditorium. The sixth floor houses various incubators, including a 500-seat AI incubator run by the central government's Department of Science and Technology. The remaining floors are likely to be operational by 2023-end.

INDIA TODAY CONCLAVE 2023 SOUTH

PRESENTED BY

kerala
God's Own Country

INDIA TODAY GROUP

AMITABH KANT
India's G20 Sherpa, Former CEO, NITI Aayog

THURSDAY FRIDAY
01-02
JUNE

THE LEELA RAVIZ, KOVALAM
KERELA

BOOK YOUR SEAT NOW
LOG ON TO:
www.indiatodayconclave.com/south

Designed by : CUT Creative Unit Today

POWERED BY
KALYAN JEWELLERS

KNOWLEDGE PARTNER
HINDUSTAN INSTITUTE OF TECHNOLOGY & SCIENCE (DEEMED TO BE UNIVERSITY) CHENNAI

LUXURY DESIGN PARTNER
Fenesta Better by Design
India's No.1 Windows & Doors Brand

STEEL PARTNER
SHYAM STEEL SHYAM TMT REBAR

CELEBRATION PARTNER
Radico SPIRIT OF EXCELLENCE

HEALTH PARTNER
AMRITA HOSPITAL KOCHI
Embrace Good Health

INTERNATIONAL SCHOOL PARTNER
SSVM INSTITUTIONS COIMBATORE

PARTNER
NECC NATIONAL EGG CO-ORDINATION COMMITTEE

ASSOCIATE SPONSOR
KIIFB

HOSPITALITY PARTNER
55 Golden Years of Kovalam

T-HUB'S EXPANDING FOOTPRINT

500
START-UPS IT HAS CONNECTED WITH CORPORATES

40
GOVERNMENT BODIES T-HUB IS ENGAGED WITH

$3.5 BILLION
TOTAL INVESTMENT RAISED BY START-UPS ENGAGING WITH T-HUB

With start-ups at the heart of this mission, T-Hub runs five different incubation and acceleration programmes that help ventures through their early-stage inflection points. These include Masterclass, an idea readiness programme; Rubrix, for product readiness; Lab32, for market readiness; T-Angel, a funding preparedness and assistance programme that culminates in a pitch to investors; and finally a scaling programme. All these are 100-day programmes, with each running three cohorts every year.

"In total, we run 15 programmes every year. Every programme has an upper limit of 20 participants, meaning we churn out about 300 high quality start-ups every year," says Anish Anthony, Chief Delivery Officer of T-Hub.

It charges a fee of about ₹50,000-75,000 for the programmes that are heavily subsidised by the revenue T-Hub makes from other verticals. With over 700 applications received for each cohort, admission into the programmes remains extremely competitive, with only 3 per cent of them getting approved, while over 40 per cent of the start-ups are from outside the state. "T-Hub in general is very selective," says Bommireddi.

PREPPING FOR TAKE-OFF

Beyond the organic investor fundings that originate from its many initiatives, T-Hub actively mobilises funds from diverse sources such as government grants and schemes; T-Fund—the state government's dedicated start-up fund—along with its network of venture capital firms. A co-investment fund with a target of ₹2,000 crore, T-Fund has partnered with angels, angel networks, and VCs to invest around ₹3-4 crore among eight start-ups within a year of its launch.

"T-Hub has a rigorous screening process that ensures the start-ups showcased to VCs are of high quality and align with their investment thesis," says Kiran Chandra Kalluri, Fund Partner of Dallas Venture Capital. "T-Hub provides a diverse range of start-ups across various sectors, offering a wide array of investment opportunities for VCs."

While T-Hub works with over 50 VC funds, and 150-plus angels to enable capital for its portfolio, seven VC funds, including Dallas, Kalaari Capital, Hyderabad Angels, and Pavestone Capital have their offices in the campus. Collectively, its programme alumni have raised around $800 million so far.

T-Hub's innovation doctrine also focusses on corporate programmes that help foster connections between established companies and start-ups. These open innovation modules help fast-track innovation within corporates by connecting them with relevant start-ups working to solve specific challenges. These start-ups also benefit from the market access opportunities, mentorship from industry experts, and potential funding and investment connections that such collaborations bring. T-Hub has done

"The government has created a set of entities like a string of pearls focussed on innovation and entrepreneurship. T-Hub is the crown jewel"

SRINIVAS RAO MAHANKALI
CEO, T-HUB

"We are creating sector-focussed themes to drive innovation, and helping them (corporates) build internal muscle to enable transformation"

SUJIT JAGIRDAR
CHIEF INNOVATION OFFICER, T-HUB

INDIA TODAY GROUP

INDIA TODAY CONCLAVE 2023 SOUTH

PRESENTED BY

kerala
God's Own Country

KAMAL HAASAN
Actor and founder Makkal Needhi Maiam (MNM)

THURSDAY FRIDAY
01-02
JUNE

THE LEELA RAVIZ, KOVALAM
KERELA

BOOK YOUR SEAT NOW
LOG ON TO:
www.indiatodayconclave.com/south

Designed by : CUT Creative Unit Today

POWERED BY
KALYAN JEWELLERS

KNOWLEDGE PARTNER
HINDUSTAN INSTITUTE OF TECHNOLOGY & SCIENCE (DEEMED TO BE UNIVERSITY) CHENNAI

LUXURY DESIGN PARTNER
Fenesta Better by Design
India's No.1 Windows & Doors Brand

STEEL PARTNER
SHYAM STEEL SHYAM TMT REBAR

CELEBRATION PARTNER
Radico SPIRIT OF EXCELLENCE

HEALTH PARTNER
AMRITA HOSPITAL KOCHI
Embrace Good Health

INTERNATIONAL SCHOOL PARTNER
SSVM INSTITUTIONS COIMBATORE

PARTNER
NECC NATIONAL EGG CO-ORDINATION COMMITTEE

ASSOCIATE SPONSOR
KIIFB

HOSPITALITY PARTNER
50 Golden Years of Kovalam

"In total, we run 15 programmes every year. Every programme has an upper limit of 20 participants, meaning we churn out about 300 high quality start-ups every year"

ANISH ANTHONY, CHIEF DELIVERY OFFICER, T-HUB

about 600-700 corporate innovation programmes in partnerships with firms such as Amazon, Qualcomm, Hindustan Aeronautics, etc.

"For corporates which are focussed on innovation, but don't know how to get there quickly, we want to bring open innovation to them. We work with them and design innovation approaches that they may not be familiar with," says Sujit Jagirdar, Chief Innovation Officer of T-Hub. "We are creating sector-focussed themes to drive innovation, and also helping them build internal muscle to enable transformation within." In addition, several corporates, including Cyient, Tech Mahindra, and Suzuki Motor have taken dedicated seats there to foster swift and effective connections with T-Hub's start-ups.

Not only that, the incubator also serves as a hub for Consulate General-level foreign delegation visits that are aimed at facilitating market access and knowledge sharing for its start-ups. Anthony says T-Hub hosts an international government delegation every three days. For instance, recently Consul Generals from the US, Turkey and Sweden visited the facility in the same week. Even the Indo French Chamber of Commerce and Industry has taken up space in T-Hub and the French Consulate has shown interest in setting up an office there.

Such collaborations not only lend credence to the viability of a model like T-Hub, but also help the start-ups land their first few clients. For instance, Sunil Maddikatla, CEO and Founder of healthtech start-up BlueSemi, says he received his first international order even before launching international sales, from a visiting German parliamentarian. "I received a call from MSR one fine morning asking me to present my idea to a group of German delegates. I did a live demo of my product and one of them loved it, and asked if I can send a few, so he can show it to his colleagues there," he says. Maddikatla is now in the process of shipping 25 units of his non-invasive blood-glucose level measuring devices to Germany.

Meanwhile T-Hub's partnerships with academia is aimed at fostering a problem-solving and innovation-oriented mindset among college students. It helps build incubation centres in academic institutions and trains their faculty to be incubation managers. Since the launch of the programme in November 2022, it has successfully launched three such projects, with three more in the pipeline.

T-Hub also runs accelerator programmes for various government bodies, such as the Ministry of Defence and the Ministry of Electronics and Information Technology. It also manages the accelerator programmes of the state governments of Bihar, Odisha, Maharashtra, Uttar Pradesh, and Goa, as well as foreign governments like Kazakhstan, Bangladesh and the Maldives.

TAKING TO THE SKIES

"T-Hub has played a pivotal role in attracting investments to the state. Its reputation... [has] led to a substantial inflow of funds into Telangana's start-up ecosystem," says K.T. Rama Rao, Minister for IT for the Government of Telangana. "T-Hub has evolved into a remarkable centre of innovation that contributes significantly to employment and economic growth in Telangana."

MSR says, T-Hub has played a central role in creating a friendly environment for start-ups. He says the goal is to grow their number to 20,000 within the next five years, and generate around 100,000 jobs.

B.V.R. Mohan Reddy, Founder Chairman and Board Member of Cyient Ltd, and a Founding Director of T-Hub, says the organisation will continuously adapt to the evolving needs of start-ups. "As the start-up landscape evolves, T-Hub will continue to be a driving force, empowering the next generation of entrepreneurs and contribute to India's vision of becoming a global leader in innovation."

Needless to say, T-Hub's pioneering approach and state-of-the-art infrastructure have set a new benchmark for start-up ecosystems, making it a formidable contender to surpass other Indian cities and emerge as the premier destination for entrepreneurs to incubate their ideas into viable businesses. **BT**

@binu_t_paul

INDIA TODAY GROUP

INDIA TODAY
CONCLAVE
2023
SOUTH

PRESENTED BY

kerala
God's Own Country

RANA DAGGUBATI
Actor and Producer

THURSDAY FRIDAY
01-02
JUNE

THE LEELA RAVIZ, KOVALAM
KERELA

BOOK YOUR SEAT NOW
LOG ON TO:
www.indiatodayconclave.com/south

Designed by : CUT Creative Unit Today

POWERED BY
KALYAN JEWELLERS

KNOWLEDGE PARTNER
HINDUSTAN INSTITUTE OF TECHNOLOGY & SCIENCE (DEEMED TO BE UNIVERSITY) CHENNAI

LUXURY DESIGN PARTNER
Fenesta
Better by Design
India's No.1 Windows & Doors Brand

STEEL PARTNER
SHYAM STEEL
SHYAM TMT REBAR

CELEBRATION PARTNER
Radico
SPIRIT OF EXCELLENCE

HEALTH PARTNER
AMRITA HOSPITAL
KOCHI
Embrace Good Health

INTERNATIONAL SCHOOL PARTNER
SSVM INSTITUTIONS
COIMBATORE

PARTNER
NECC
NATIONAL EGG CO-ORDINATION COMMITTEE

ASSOCIATE SPONSOR
KIIFB

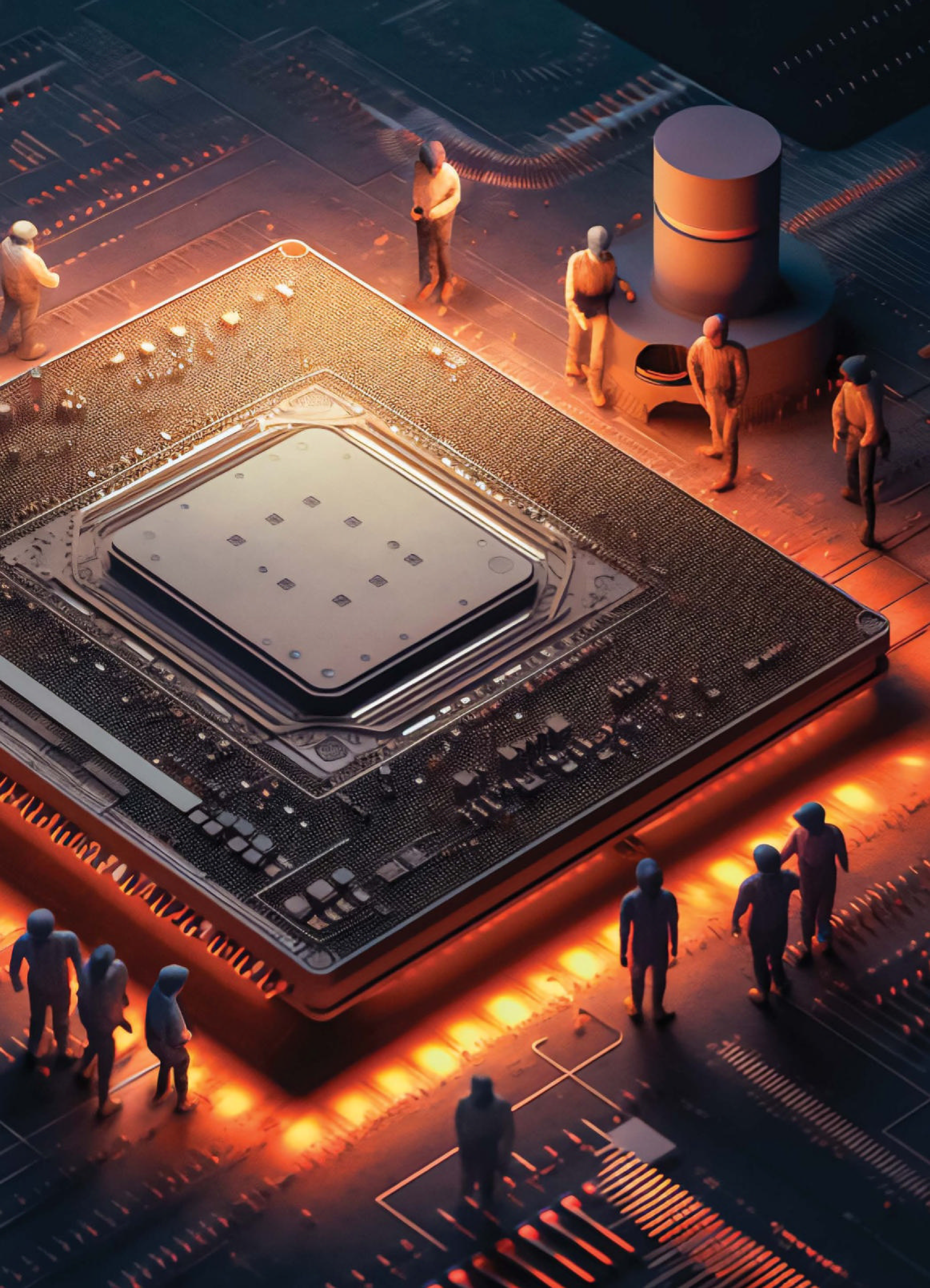
HOSPITALITY PARTNER
55 Golden Years of Kovalam

FAB JOBS

THE SHORTAGE OF SEMICONDUCTOR TALENT, GLOBALLY AS WELL AS DOMESTICALLY, IS EXPECTED TO GET WORSE BY THE END OF THE DECADE. TO PLUG THIS EXPANDING GAP IN SKILLED MANPOWER, INDIA IS RACING TO RESKILL AND RE-DEPLOY ITS MASSIVE ENGINEERING TALENT POOL

BY **NIDHI SINGAL**

AI-GENERATED IMAGE BY **VISHAL GHAVRI**



DURING A RECENT interaction with students of an engineering institute, Navin Bishnoi, Country Head of fabless chip design firm Marvell India, was surprised at how keen the students were to know more about new-age subjects like AI and ML. But barely anyone was interested in the chips, or semiconductors that power them. Only when Bishnoi started going deep into AI applications and its underlying infrastructure that students start to realise the importance of semiconductors. "I realised that the exposure to semiconductors is lesser than other technologies. Engineering students are choosing the easier path to employability compared to semiconductor-hardware engineering, which requires a master's degree and years of experience."

The chips Bishnoi discussed are high-end ones. But as semiconductors are used in almost everything electronic around us, their demand has gone through the roof in the past few years. The global chips market, pegged at $600 billion in 2021, is also expected to grow to $1 trillion by 2030, per McKinsey. But experts say that current manufacturing capacity is just not sufficient to meet this booming demand.

Consequently, as new fabs—where chips are printed, and then taken through the ATMP (assembly, testing, marking, and packaging) process—are set up around the world and in India, even the demand for professionals qualified in electronics engineering and related fields is going to surge exponentially. And while the job profiles may sound too technical, most of the learning and upskilling in this industry happens while on the job.

THE JOBS AND SALARIES ON OFFER FOR BEGINNERS

Nature	R&D	ATMP	Foundry
▶Job profile	▶Work on various aspects of chip design and technology development	▶Conduct IC testing and packaging, understand related process technologies, evaluation and verification of wafer packaging materials, etc.	▶Conduct and manage the whole process of manufacturing wafers/chips, improve process flow, evaluate and manage risks/issues, conduct detection and monitoring analysis and implement new processes
Beginner's salary (in India, not MNCs)	₹3 lakh to ₹18 lakh per annum	₹7 lakh to ₹14 lakh per annum	₹10 lakh to ₹20 lakh per annum initially to entry-level professionals

SOURCE IDC, AICTE, *BT* RESEARCH

TALENT CRUNCH

Currently, nearly 277,000 people across the US work in the chip-making industry—in R&D, design, manufacturing, testing, etc. The country's Semiconductor Industry Association (SIA) expects the new fabs that are coming up there to create 42,000 new permanent jobs by 2027, with an average of 185,000 temporary jobs (related to building fabs) being created annually from 2021 to 2026. And this is just the case in the US. Be it the EU, Japan, China, South Korea, or Taiwan, every government is aiming to bring chip production onshore. India, too, has embarked on a journey to develop its own silicon ecosystem. The country—never one of the chip-making nations—is now witnessing interest from large business houses, such as Vedanta and Tata. That gives credence to the burgeoning requirement and opportunity for engineering talent in the country.

More so because semiconductor talent is in short supply. With more fabs coming up, the situation is expected to get worse by the end of 2023, and the rest of the decade. Deloitte estimates that the global semiconductor workforce—pegged at more than 2 million direct employees in 2021—will need to grow by more than 1 million by 2030, adding more than 100,000 workers annually. It is this exponential demand for talent that India can cater to with its crop of engineering students that join the workforce every year. After all, close to 2.5 million students enrol for undergraduate engineering degrees in India annually, with close to 600,000 students opting for the electronics stream, per Statista.

"There will be a strong demand on recruiting processing, equipment, and IC testing engineers, and capacity planning managers," says Helen Chiang, Head of Asia/Pacific Semiconductor Research and General Manager of IDC Taiwan. She adds that people with knowledge of, or who major in electronics, mechanical, chemical, and materials engineering will be the most sought after. Already, semiconductor job openings in India have increased by 7 per cent between March 2019 and 2023, data from jobs portal Indeed shows.

JOB PROSPECTS

The chip-making industry is a resource-intensive one that requires highly-skilled workers at every step of the process, right from chip design and manufacturing to

TALENT PAYS

- FOR THE SEMICONDUCTOR INDUSTRY, ENGINEERS ARE THE CORE TALENT NEEDED. IN INDIA, 2.5 MILLION STUDENTS ENROL IN ENGINEERING COURSES EVERY YEAR
- ENGINEERS FROM THE ELECTRONICS AND MECHANICAL STREAMS ARE THE MOST SOUGHT AFTER TALENT IN THE CHIP-MAKING INDUSTRY
- AROUND 125,000 ENGINEERS ARE ALREADY WORKING IN CHIP R&D AND DESIGN IN INDIA
- GLOBALLY, AROUND 2 MILLION SKILLED WORKERS WERE WORKING DIRECTLY WITH SEMICONDUCTOR DESIGN AND MANUFACTURING FIRMS IN 2021
- WITH THE DEMAND FOR SKILLED WORKERS ESTIMATED TO GROW BY 1 MILLION BY 2030, THE GLOBAL INDUSTRY WOULD NEED TO ADD MORE THAN 100,000 WORKERS ANNUALLY

SOURCE: DELOITTE, INDUSTRY

testing and packaging. And even though India doesn't have foundries or ATMP facilities yet, one area where the country is contributing actively is chip design. That means working in a fabless firm. The likely jobs are:

FABLESS According to industry experts, India currently has around 125,000 engineers—with a bachelor's, master's or PhD degree—working in various aspects of chip design and development. Typically, a BTech in Electronics and Communication Engineering (ECE) or Electronics, MTech in VLSI Design, or PhD in Semiconductor Technology, Material Science or Chemical Engineering, is required to work in firms engaged in VLSI (very large-scale integration) design.

Salaries of BTech engineers working in this segment range from ₹3-18 lakh per annum. However, large multinational (MNC) chip companies, such as, Intel, Texas Instruments, NXP, etc., pay higher salaries.

ATMP Once a chip is printed, it has to be tested and packaged before it can be shipped to manufacturers. And given the low investments required in building ATMP facilities, India is expected to see a boom in their construction, both from local and MNC players.

In ATMP plants, Integrated Circuit (IC) packaging/testing engineers, with a background in electrical or electronics engineering or material science, is the core requirement. These engineers are required to understand process technologies to test and verify processes to improve yield, evaluate and verify wafer packaging materials, and do quality control of materials and components if new products are introduced.

In India, semiconductor ATMP is expected to have a much larger base than chip manufacturing. "Employers hiring for these roles look for candidates skilled in OSAT (outsourced semiconductor assembly and test), photolithography, VLSI packaging, design, and testing, along with majors in electrical and electronics engineering or material science," says Sekhar Garisa, CEO of foundit, a job-hunting platform. However, in terms of remuneration, ATMP outfits in India pay between ₹7-14 lakh per annum, whereas global firms pay between ₹20-55 lakh per annum.

FOUNDRY The chip industry is projected to invest more than $500 billion globally to set up 84 chip-making facilities between 2021 and 2023, per the World Fab Forecast report by global industry association SEMI. These foundries would require process engineers to conduct and manage the whole process of manufacturing wafers/chips, improve process flow, evaluate and manage risks/issues, conduct detection and monitoring analysis, and implement new processes. "They need to be able to construct analysis mechanisms, provide analysis data, and help integrate related requirements and material selection," says IDC's Chiang. "Overall, they spend most of their time focussing on the variation of quality, and control/manage the balance between quality, output and costs."

The foundry ecosystem offers a multidisciplinary set of jobs to everyone, from diploma holders to engineering graduates and students with science-related qualifications. "Responsibilities of a manufacturing technician can be handled by diploma holders who have proper training of about six months in fab operations. The process, quality assurance and equipment engineers require an engineering degree with a specialisation," says Satya Gupta, President of VLSI Society of India.

Sachin Alug, CEO of digital talent solutions firm NLB Services, says that VLSI companies may offer anything between ₹10-20 lakh per annum to entry-level professionals, while aggregate salaries offered by MNCs to freshers is between ₹30-80 lakh per annum.

NEED FOR SKILLS

With over 2 million engineering students graduating every year in the country, and only close to 300,000 high-paying jobs available, semiconductors is one buzzing industry, where even the government and universities are seeing significant potential. As the government drives India Inc. to step up investments in the sector, several premier engineering institutes have introduced courses in the related fields. For instance, IIT Kanpur offers a course on IC fabrication, and various courses related to electronics device physics & modelling, and circuits. "Additionally, the Material Science and Engineering (MSE) and Chemical Engineering departments offer courses related to semiconductor fabrication. The MSE department has a course on packaging as well," says S. Sundar Kumar Iyer, Professor in the Department of Electrical Engineering at IIT Kanpur. Separately, IIT Madras has launched a four-year online Bachelor of Science in Electronic Systems programme.

As India focusses on becoming a chip-making nation, the All India Council for Technical Education (AICTE) has also designed a curriculum for BTech in Electronics (VLSI Design and Technology) and Diploma in IC manufacturing. The BTech course covers a range of topics, from IC design and technology and semiconductor device fundamentals to VLSI and analog IC design and physics of electrical engineering materials, among others.

Alternatively, the diploma course covers an introduction to VLSI Fabrication, semiconductor-fab familiarisation, electronics devices and circuits, clean room technologies, semiconductor technology equipment maintenance, along with allied activities in a foundry, such as safety protocols, vacuum technology, etc. Within industrial automation, the course covers chip packaging and testing, electronics system assembly or product design and renewable energy technologies.

Despite the availability of these courses in the country, a common refrain among industry leaders is that the faculty who would teach these subjects, themselves

---

A FOUNTAIN OF KNOWLEDGE

Students enrolled in engineering courses at undergraduate level across India in 2021, by discipline

Discipline	Computer Science	Mechanical	Electronics	Civil	Electrical
Students enrolled	1,081.68	595.41	587.81	447.79	354.69

IN THOUSANDS; **SOURCE** STATISTA

MARKET METRICS

Globally, around $500 billion is expected to be invested between 2021 and 2023 in setting up 84 chip-making facilities

SEMICONDUCTOR MARKET

- 2021 ➡ $600 billion
- 2030 ➡ $1 trillion*

NEW FAB CONSTRUCTIONS AROUND THE WORLD

- 2021 ➡ 23
- 2022 ➡ 33
- 2023 ➡ 28*

*ESTIMATES; **SOURCE:** MCKINSEY,, WORLD FAB FORECAST REPORT BY SEMI

Q & A

‘WE WANT HUNGRY TIGERS AND LIONS’

David Reed, CEO of Vedanta-Foxconn Semiconductors, and Akarsh Hebbar, Global MD of Vedanta’s semiconductor and display business, on the group’s fab plans. Edited excerpts:

PHOTO BY **HARDIK CHHABRA**

(*From left*) David Reed, CEO of Vedanta-Foxconn Semiconductors, and Akarsh Hebbar, Global MD of Vedanta’s semiconductor and display business

On Vedanta’s vision for chip and display manufacturing

Akarsh Hebbar: India has historically always imported everything. But the fact is that our consumption of electronics went up to $53 billion in 2017-18... [and] about $100 billion today; [and] this is going to become $400 billion in 2027. These are staggering numbers. It has come at a time when we have the talent, an ecosystem that is starting to build up, and we are getting technology partners to build this.

Our vision is to make sure that we are building a nucleus for an electronics hub—the next Silicon Valley for India, where we have chips and display glass. And that will start making about 100 companies come around it. It will give us about 21 -25x GDP multipliers. This is to say that right now we’re at some $2,500 per capita, while countries with growing tech firms like Taiwan is at about $25,000 or $35,000 per capita. This is where we will be heading, too, if we start this industry... [with] $16 billion in GST revenue just by these two industries alone. [A] 10 per cent increase in GDP, and we just need to put $3 billion in the ecosystem over the next 10-15 year.

If display and semiconductor manufacturing come to India... we will be building 60 per cent of every electronic device inside India. That would make India *aatmanirbhar.*

On sourcing the right talent

David Reed: Our intent is ‘Time is money’. And as semiconductor is not your normal business, you want a problem-solving, execution- and focus-driven workforce. We will hire experienced professionals who have actually done operations, development, processes; have worked in factories. Our intent is to hire the world’s best talent, and then look at India. That’s the nature of the business right now. Each one of the expats is going to have 50 to 75 people they know about around the world that have experience. And they’re going to bring that next layer in. So, for the next three to five years, you’ll have a very heavy, experience-based professional workforce.

The second part is to mirror them with the folks that have the hunger, drive, curiosity and problem-solving ability from India. Because eventually this thing is going be 100 per cent Indian.

On Indian talent taking the lead

David Reed: Take the areas that are expanding wafer fabs—the US, Germany, all over the world; they have factories, but they don’t have the people. You take India, they have the people, but they don’t have the factories. And we’ll have the people, and we will have an example of several wafer fabs. This is how you’re successful in semiconductors, and then it’ll be an exponential curve.

On Indian talent getting into chip-making

David Reed: Apply! You may not be in the position you want, or expect, or aspire to [be in], but you will be looked at. I can’t hire 1,500-1,600 expats. But what I would do is bring in all those Indian experts and mirror them to the expats. Let them get the experience and there’ll be a win-win process. We want to get hungry tigers and lions and plug them into “this is how you do semiconductors successfully.” They’re not excluded. It’s just that I wouldn’t want to pick an inexperienced person and say, now you’re in charge of process integration.

> **“Engineering students are choosing the easier path to employability compared to semiconductor-hardware engineering, which requires a master’s degree and years of experience”**

NAVIN BISHNOI
COUNTRY HEAD,
MARVELL INDIA

> **“There will be strong demand on recruiting processing engineers, equipment engineers, IC testing engineers and capacity planning managers”**

HELEN CHIANG
HEAD, ASIA/PACIFIC SEMICONDUCTOR RESEARCH; GENERAL
MANAGER, IDC TAIWAN

lack significant industrial fab experience. “The challenge now is to spread awareness and develop the faculty in this domain. The industry needs to pitch in, to curate the syllabi, and for the development of the faculty via its intrinsic expertise. This is a work in progress for the government, industry and the academia alike,” says Anurag Awasthi, VP at India Electronics and Semiconductor Association (IESA).

Although academic institutions are coming up with courses focussed on the sector, a primary challenge for them will be in providing hands-on and industry-relevant training in live environments. “The most important aspect of these diploma courses for manufacturing technicians is to get practical training, which should be a part of the course work itself,” says VLSI Society’s Gupta. The solution, he suggests, is that government and academic institutes should work with the industry to provide 8-12 weeks of internship at a running facility. “We can utilise the facilities at SCL (Semiconductor Lab) in Mohali or create tie-ups with fabs in Taiwan, Singapore and Malaysia for real hands-on training,” he adds.

Even Hitesh Garg, India Country Manager at chip manufacturer NXP Semiconductors, says, “To boost employment, it is essential that engineering institutes focus on facilitating programmes that concentrate primarily on semiconductor equipment operation and manufacturing. These programmes can offer practical experience and hands-on training that will help them to explore jobs in various fields like process engineers, foundry engineers, etc.”

Acknowledging the need for skilled labour, many global institutes and organisations such as SEMI, Micron, Purdue, etc., are starting to offer courses and collaborations in this field. Not ony that, institutes in India, such as IIT Mumbai, IIT Roorkee, IIT Madras, Sastra Deemed University, etc., are also partnering with global institutes, fabs and equipment companies to produce the right talent at various levels.

LEARNING ON THE JOB

“Given the variety of job roles, there is no single course. Just like in any other field, the B Tech and master’s-level courses offer a base, but much of the fab jobs also need on-the-job-training,” says independent semiconductor analyst Arun Mamphazy.

While a PhD or master’s is required for some high-end jobs, chip engineers mostly join fabs post-completion of their courses, and then up-skill on the job. Also, as the demand for highly skilled talent regularly outstrips its supply, the semiconductor industry invests significantly to maintain and advance its workforce’s skills.

For example, a major US semiconductor firm runs a robust $1.4-million annual educational assistance programme through which hundreds of employees are supported each year to pursue master’s, bachelor’s, associate-, and certificate-level programmes in their job-related fields. Similarly, another firm supports its employees’ up-skilling needs with a $30,000 annual tuition reimbursement programme. Beyond tuition assistance, one US firm hires over 170 student interns each year, while another firm spends over $1.5 million annually to support approximately 70 interns across its operations in the US.

Indian conglomerate Vedanta, which is in the process of setting up a chips fab (in partnership with Taiwan’s Foxconn) and a display fab in the country, has also chalked out a plan to hire experienced personnel for its fab. As Vedanta will be setting up a greenfield project, the company plans to bring the world’s best talent initially, and then look to develop talent in India.

PHOTO BY **HARDIK CHHABRA**

THE TATA PUSH

India’s chip ecosystem gets a major boost as N. Chandrasekaran reveals the group’s plans

▶ **It’s not just** Vedanta, but also the Tata group that is keen on stepping into the semiconductor business. Tata Sons Chairman N. Chandrasekaran recently said that the company plans to use a part of its $90-billion investment over the next five years to set up ATMP and chip fabs. He also intends to foray into advanced chip manufacturing in a few years. The diversified conglomerate has recently appointed semiconductor industry veteran Randhir Thakur as the CEO & MD of Tata Electronics, a company with expertise in making precision electronics components. The greenfield chip business will also be housed under it, which has a manufacturing facility in the Krishnagiri district of Tamil Nadu. “We will start with manufacturing. Then we’ll get into assembly and packaging. The next stage will be semiconductor testing, then fabless, [where] we will do the design. And then, we get into fabs. Those are the stages of integration we will go through, but probably not for a very long period,” Chandrasekaran said at a *BT* event recently.

As semiconductor manufacturing involves a big investment, he has already chalked out a plan. “We have got to make sure that we are doing the right thing and investing in the right node. And before we have our own architecture, we will have our own electronic/electrical architecture. And this will be for global markets.”

He is also looking at acquisitions and collaborations. For instance, in June 2022, Japan-based Renesas Electronics that supplies advanced semiconductors, had tied up with two Tata group firms to develop chips for tech across automotive, IoT and 5G systems. It will also work with TCS to set up a development centre in Bengaluru.

Whatever the node, with Tata bringing its heft into the chips industry, the ecosystem and job opportunities in the Indian market are up for a major boost.

“To start with, we want to bring those talented people in who have experience in wafer fabs, OSAT, and panel, to form the team. The second part will be to mirror the folks with the hunger, drive, curiosity and problem-solving ability from India, to those with the expertise,” says David Reed, CEO of Vedanta-Foxconn Semiconductors. (*See interview for more.*)

BEYOND ENGINEERING

While most roles in the chip industry need an engineering background, there are jobs around maintenance, machinery, supply chain, IT and accounting that need professionals and diploma holders from other streams. Alug of NLB Services, who works with several semiconductor firms globally, says job roles such as operators, technicians, QC (quality check) and supply chain managers, etc., are some of the non-engineering profiles available at a foundry firm.

Also globally, the setting up of a chip manufacturing ecosystem creates an employment opportunity in the ratio of 1:6 for direct and indirect roles. This means, for each fab-related job, six more roles are created in related fields of IT/ ITeS, hardware, software and supply chain, among others.

Consequently, a large number of job opportunities related to design, manufacturing, training and skilling, supply chain management, chemicals and materials engineering, packaging, testing, and logistics are expected to crop up in the next two to five years. Going back to Deloitte’s finding of over a million additional skilled workers required by 2030, and the talent crunch only expected to widen further, India—which produces a large number of engineers every year—can substantially leverage its talent advantage. And just like it became the IT hub for the world, the country can aim to become the primary supplier of semiconductor talent, and potentially chips too in some time, to the world. BT

@nidhisingal

RETAIL INVESTORS

A SHRINKING TRIBE

THE RECENT VOLATILITY WITNESSED ON THE BOURSES HAS SLOWED THE RETAIL INVESTOR'S RUSH INTO THE

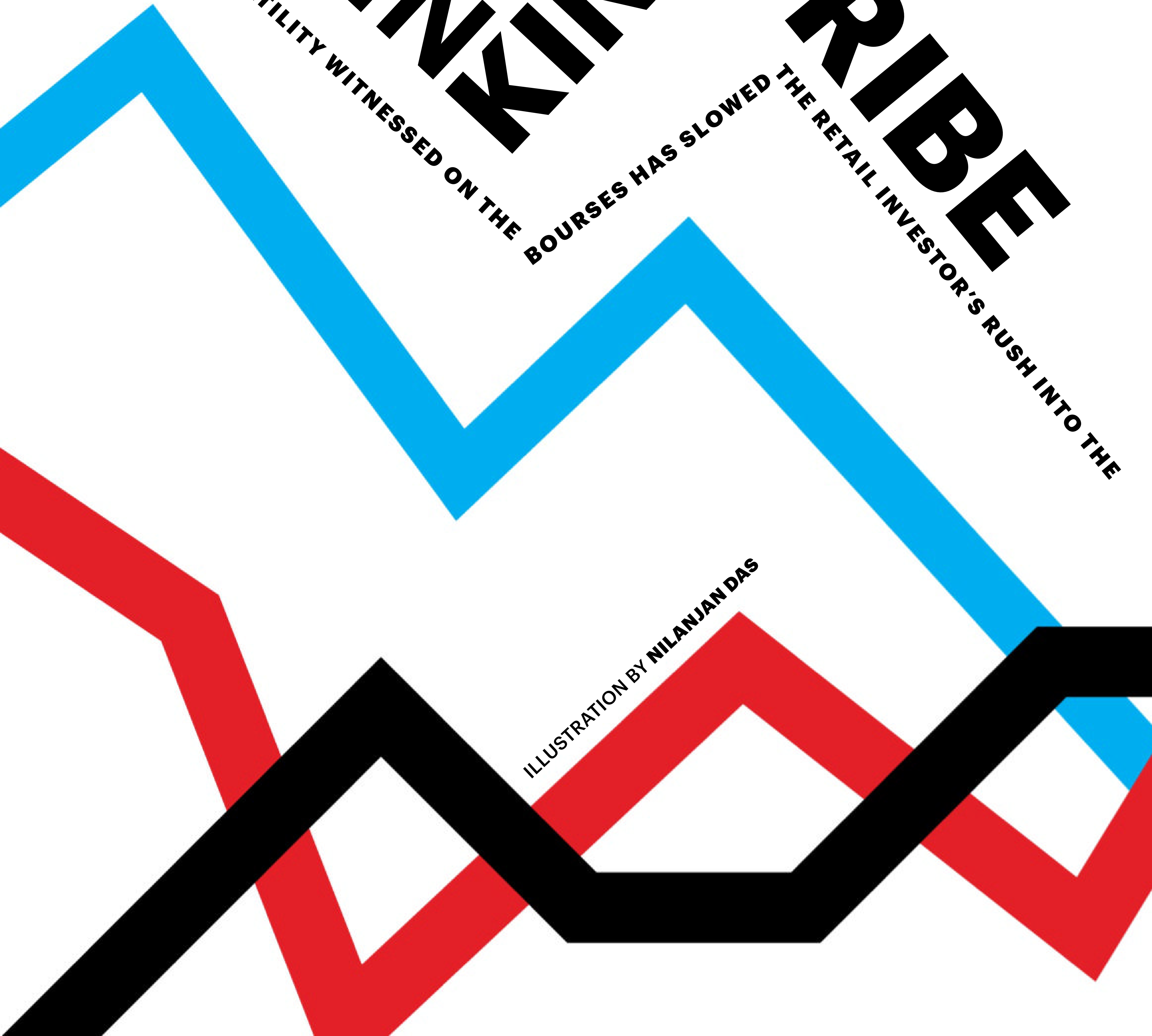


ILLUSTRATION BY **NILANJAN DAS**

EQUITY MARKETS. IT MIGHT TAKE A LOT TO GET THE FENCE-SITTERS TO JUMP IN NOW

BY **ASHISH RUKHAIYAR**

THE YEAR WAS 2020, a time of significant market turmoil exacerbated by various economic headwinds due to the Covid-19 pandemic. That year and the ones after it have turned out to be unforgettable for most people, organisations and sectors, and not always in a good way. But one segment of the economy that benefitted hugely due to the pandemic, even as most others ran for cover, was retail investors.

The Indian stock markets—that had been struggling for decades to enhance their penetration into non-metros and the hinterland areas—suddenly saw a deluge of new and young investors. More importantly, the new entrants were coming from across the country.

The influx of the average Joe and Jane as retail investors during the lockdown has been amply corroborated by the fact that the share of retail participation on the National Stock Exchange (NSE)—the country's largest bourse in terms of market share—jumped to 45 per cent in FY21, from the previous year's tally of 38.8 per cent.

This was seen as a huge milestone for the Indian stock markets as it was the first time that retail investors accounted for over 40 per cent of the total trading turnover in a fiscal. In contrast, their share was only at 33 per cent in FY16. Interestingly, a large section of market participants believed that the long-awaited inflection point had finally arrived as a large pool of India's household savings was flowing into equities.

Indeed, the inflection point was upon the markets, and brokers—including new-age tech-led platforms—were busy courting new clients through various incentives. Consequently, for most of the leading broking firms, the duration of the Covid-19 lockdowns has been the best period till date in terms of the number of new clients on-boarded.

But now, it seems that the number of retail investors jumping into the markets is tapering as the effects of the pandemic wear off. "The Covid-19 years set a high benchmark in terms of new client additions in the market. With a record number of investors entering during that period, it becomes challenging to continue growing at the same pace. It may take some time before we see a consistent upward trend in new client numbers again," says Faisal Mohammed, Associate VP-Business at Zerodha.

THE CUMULATIVE SHARE OF DOMESTIC INSTITUTIONAL INVESTORS, RETAIL AND HNI (HIGH NET-WORTH INDIVIDUAL) INVESTORS TOUCHED A PEAK OF 25.72 PER CENT ON MARCH 31, 2023, FROM 24.44 PER CENT ON DECEMBER 31, 2022

A couple of weeks ago, even the World Health Organization officially stated that Covid-19 is no more a global health emergency. Separately, data shows that the interest level of retail investors in the stock markets is also waning since the past many months.

For context, the share of retail investors in the total turnover of the NSE dipped to 40.7 per cent in FY22 from a high of 45 per cent in FY21; the number fell to 36.5 per cent in FY23.

"The share of retail investors tapered significantly in FY23, as they reduced their direct participation in Indian equities through secondary markets... Retail inflows in FY23 were the lowest in the past three years," states the latest monthly bulletin of NSE.

Market participants attribute this trend to a combination of factors, ranging from heightened market volatility and correction, to range-bound trading post the highs of 2020 and 2021, to the global economic slowdown and rising interest rates. The fact is that the sentiment of retail investors has taken a hit, making them increasingly cautious when it comes to investing their hard-earned money in the markets.

THE VANISHING TRIBE

"During Covid-19, brokers had spent a lot of money to acquire new customers. Many of these custom-

THE BUTTERFLY EFFECT

RETAIL INFLOWS IN FY23 WERE THE LOWEST IN THE PAST THREE YEARS, TOUCHING ₹49,200 CRORE, COMPARED TO ₹1.65 LAKH CRORE IN FY22 AND ₹68,400 CRORE IN FY21

THE NUMBER OF RETAIL INVESTORS IN THE CASH SEGMENT OF NSE TOUCHED A RECORD 11.7 MILLION IN JANUARY 2022; A FALL OF NEARLY 4 MILLION BROUGHT THE NUMBER DOWN TO 8 MILLION IN MARCH 2023

THE SHARE OF RETAIL INVESTORS TAPERED SIGNIFICANTLY IN FY23 AS THEY REDUCED DIRECT PARTICIPATION IN INDIAN EQUITIES THROUGH SECONDARY MARKETS; THE NUMBER CONTRACTED 421 BASIS POINTS MONTH-ON-MONTH IN MARCH 2023 TO 36.5 PER CENT—THE LOWEST IN THE POST-PANDEMIC YEARS

INVESTOR REGISTRATIONS HAVE BEEN FALLING SINCE HITTING A PEAK IN NOVEMBER 2021; OVERALL REGISTRATIONS FOR FY22 WERE MORE THAN 19 MILLION, NEARLY 81 PER CENT HIGHER THAN THE PREVIOUS FISCAL. BUT IN FY23, NSE ADDED ONLY 13.3 MILLION NEW INVESTORS

---

ers opened accounts simply due to the incentives. As fast as they came, they have disappeared faster," says Vijay Chandok, MD and CEO of ICICI Securities. "In the past 18-odd months, the equity market has been flattish, making it difficult to make earnings out of the markets, thereby leading to a sharp decline in investor interest, particularly [in the case of] those who came in during the Covid-19 period."

Incidentally, the number of active retail investors in the cash segment (equities market) of NSE was around 3 million in January 2020, just before the lockdowns began. It surged to a peak of 11.7 million in January 2022, but since then, their numbers have fallen by nearly 4 million, to 8 million in March 2023.

There are a few key reasons for the consistent decline in unique client codes (UCCs) in the past 18 months. "The primary market has been extremely subdued and there is a lack of good quality IPOs... Small- and mid-cap indices—where the participation of retail investors is the highest—have remained sluggish for the past 18 months, and delivered practically zero returns during the period [since October 2021]. This sluggishness has resulted in the loss of investors' interest and therefore, inactive UCCs," says Jimeet Modi, Founder & Group CEO of SAMCO, that has a presence in the discount broking and mutual funds segments.

Not only that, even the benchmark Sensex touched a low of 46,160.46 in 2021, but rose swiftly to touch a then record high of 62,245.43 in 2021. The last calendar year (2022) also saw the Sensex trade in a broad range, between a high and low of 63,583.07 and 50,921.22, respectively. In the current year till May 12, the index is up less than two per cent from last year's close of 60,841.

"In the past one and a half years, the markets have been volatile but there has been no net increase in Nifty 50 levels. Non-serious participants are not active anymore, and hence the declining trend," says Yash Upadhyay, Chief Strategy Officer at 5Paisa Capital.

In a similar context, Gaurav Rastogi, Founder of Kuvera, an online wealth management platform, says that the final stages of a bull market typically see many new traders entering the markets to make a quick buck, driven by the good returns. "These are usually day traders and not long-term investors. When the returns don't materialise, as has happened in the past two years, they leave. What we have seen in the past three years is the same cycle play out in India."

It is quite clear that the deluge of retail investors, who swamped the stock markets between early-2020 and mid-2022, are abandoning the equity ship in equally large numbers. But the larger question that remains is, if not equities, then where is the retail money sailing?

THE MONEY TRAIL

It is not that retail investors are keeping cash in their bank accounts or at their homes. Therefore, retail money is certainly being invested somewhere. The past few years have seen a significant rise in interest rates, and coupled with the heightened volatility in the equities markets, market watchers say that retail investors are moving their money from stocks to bank deposits (fixed deposits, recurring deposits, etc.), debt instruments and even pre-paying their loans.

“Post Covid-19, brokers spent a lot of money to acquire customers. Many of them opened accounts due to the incentives. As fast as they came, they have disappeared faster”

VIJAY CHANDOK
MD & CEO, ICICI SECURITIES

“Broking as an industry has focussed on revenue-maximising day trading and F&O segments, with little effort to build good long-term investment habits”

GAURAV RASTOGI
FOUNDER & CEO, KUVERA

“With fixed deposit rates for banks crossing 7 per cent, and for well-rated corporates above 9 per cent, we are seeing a lot of money coming into safer FDs [fixed deposits]. The expert view that we are close to the end of the rate increase cycle also makes locking higher FD rates more attractive today,” says Rastogi, adding that gold, too, has benefitted from the heightened risk aversion among retail investors.

Zerodha’s Mohammed says that a large portion of funds typically get allocated to fixed-income investments during periods of increased market volatility, and a bearish outlook. This shift reflects investors’ desire for more stable returns and reduced exposure to risks associated with equity investments. Indeed, FD rates—that had dipped below 5 per cent for shorter tenures at one point of time—are hovering around 6-7 per cent, currently. “Fixed-income instruments like FDs, bonds, debt mutual funds (MF) are the flavour of the season. A certain proportion of money has moved from equity to debt. Within equity, focus is more on passive instruments like MFs,” says 5Paisa’s Upadhyay.

MFs seem to be a big beneficiary of the trend, even though money invested in funds ultimately goes to stocks if invested in an equity or hybrid scheme, or any scheme that is not a pure debt product.

Interestingly, the cumulative amount of money routed through systematic investment plans (SIPs) touched a new record of ₹1.56 lakh crore in FY23. Further, the monthly flows have exceeded ₹13,000 crore for each of the past seven months.

But investments alone do not seem to be on retail investors’ minds. A large section of market participants believe that the rising rate regime has forced many to review their loans and even prepay or close some of their outstanding borrowings, especially home loans.

“I think the largest amount of money is going to people prepaying EMIs. As interest rates have risen by 2-2.5 percentage points in the past 24 months, the outgo in terms of various EMIs of the salaried class people has increased by 15-20 per cent, depending upon their loan exposure,” says Modi.

A RETURN TO FORM

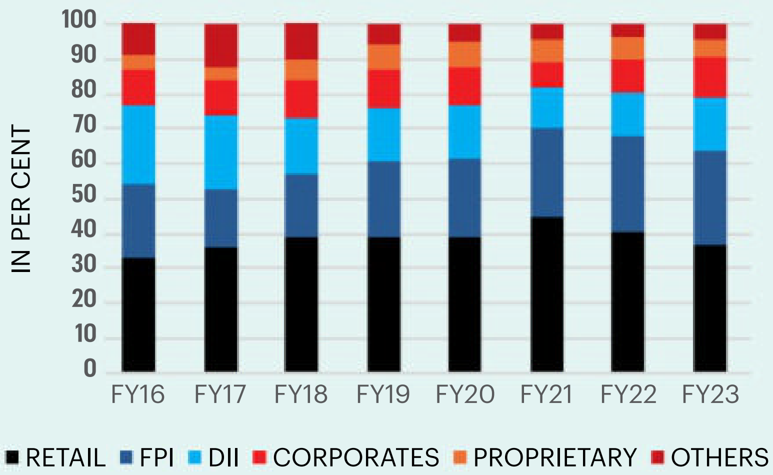
Although experts are of the view that the stock markets will probably not see the kind of influx of retail investors that it witnessed in 2020 again, they add that the category has become a significant player in the markets.

“During the Covid-19 period—and in the world of zero interest rates then—[an excessive] amount of money funded broking firms... With that money evaporating, the luring practices of broking firms have come to a sudden halt and therefore, we are seeing a reversal to the true mean as far as [their] activities are concerned,” explains Modi. “So, this is not just transitory, but all the excess that got created because of zero interest rates and free money during Covid-19 is coming back to reality.”

But this does not mean that retail investors are losing their sway on the stock markets. Consider

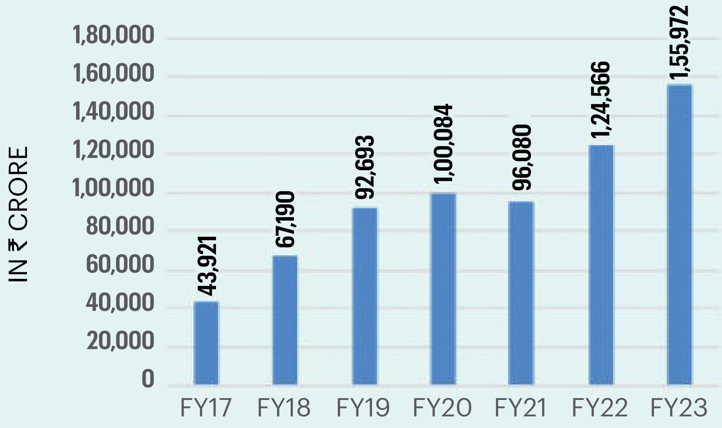
SEEKING REFUGE

The share of retail investors on NSE has fallen below 40 per cent in FY23, from the peak of FY21...



SHARE OF CLIENT PARTICIPATION ON NSE; **SOURCE** NSE

...while the flow of money into systematic investment plans has been steadily going up



MONEY FLOWING INTO SIPs; **SOURCE** AMFI

63.6 MILLION TOTAL NUMBER OF SIP ACCOUNTS AS ON MARCH 31, 2023, PER AMFI

7.9 MILLION NUMBER OF ACTIVE RETAIL INVESTORS ON NSE AS ON MARCH 31, 2023, PER NSE

this: the share of retail investors who had shareholding of up to ₹2 lakh in a company increased to an all-time high of 7.48 per cent as on March 31, 2023, from 7.23 per cent on December 31, 2022, per data from primeinfobase.com. “The power of the retail investor is going to stay. It is not going anywhere. On the contrary, over... 5-10 years, retail investors will probably be the most powerful set of investors either directly, or indirectly through domestic institutional investors. But the power of retail investors will not only continue to remain strong, but strengthen in the times to come,” says Modi of SAMCO.

This assumes significance as the cumulative share of domestic institutional investors (DIIs), retail and HNI (high net-worth individual) investors touched a high of 25.72 per cent as on March 31, 2023, from 24.44 per cent on December 31, 2022. “In 2014, there were 3 million Indians investing in stocks in a year, versus 35 million in 2023. If you look at the US, 55 per cent of adult Americans invest in stocks directly. Hence, we have a long highway of growth, with the occasional bumps as we are witnessing now,” says Chandok of ICICI Securities.

While there is no doubt that there is significant room for growth in a market that has recently become the world’s most populous country with over 1.4 billion people, there is still a big question mark on whether the bulk of retail investors or new potential investors would invest in the stock markets directly or through MFs.

“A major proportion of retail investors still, and will continue to choose MFs. That’s where we have seen continuous inflows even when foreign investors were on a selling spree. With the rise in middle-class incomes, we will continue to see that trend,” says Upadhyay.

The average Indian retail investor is much more mature today, but there is no denying the fact that many of them have burnt their fingers in the stock markets in the past few years. And this is making them wary of investing directly. They will need some time to heal—and have clear visibility of potential gains in the future—before they take the plunge again. **BT**

@ashishrukhaiyar

STAR POWER

₹3-4

CRORE

The annual remuneration each of the top 20 'star teachers' received from edtech firms during the Covid-19 pandemic

CRITICAL CRUNCH

9·5

MILLION

The number of teachers in India at present, for more than 260 million students enrolled in schools, according to a report by edtech platform Ezyschooling

ASPIRATIONAL INDIA

9

MILLION

Students take the JEE Mains exam every year in India; 150+ big coaching institute chains are dedicated solely to preparing them for competitive exams

THE DECACORN

$22

BILLION

The valuation of BYJU'S, the world's most-valued edtech company, as of May 2023, according to data from Hurun India

The Millionaire Teachers

TECH HAS TRANSFORMED THE INDIAN EDUCATION ECOSYSTEM, GIVING BIRTH TO TEACHER *CROREPATIS.* SUSTAINING THE DREAM RUN, HOWEVER, IS BECOMING ARDUOUS FOR THEM AS PRESSURE MOUNTS FROM EDTECHS TO SELL COURSES AND GENERATE REVENUE

BY **BHAVYA KAUSHAL**

ILLUSTRATION BY **NILANJAN DAS**

RAKESH ARORA (name changed) was pursuing engineering from a small regional college in Kanpur, Uttar Pradesh, when he had to think about his next big move in life. With his brother encouraging him to pursue his interests, Arora found a side gig: teaching students preparing for competitive examinations at a nearby coaching centre that paid ₹5,000 a month. Arora's headline moment came when one of his students aced the coveted JEE Mains (Joint Entrance Examination for admission to the Indian Institutes of Technology) and got accepted into IIT Delhi, one of India's premier engineering colleges. "*Har koi chahta hai ki humara padaya hua bachha IIT jaye* (Every teacher wants his student to get into an IIT)," he says.

Following this success, Arora realised that teaching was his true calling. He skipped his college placement process and instead joined a school. Now, he was earning ₹15,000 a month. The happiness that came with being a teacher was sadly not enough to cover the costs of living. Arora started working for Aakash Institute (which was later acquired by edtech decacorn BYJU'S) at a monthly salary of ₹42,000. A few years later, he left Aakash to launch his own coaching centre.

But then came the Covid-19 pandemic. His coaching centre shut down before it could properly take off. Arora admits that managing his day-to-day expenses was an uphill battle. Worse, he was threatened with eviction if he didn't pay his house's EMIs. That is when he started looking for alternative sources of income. Little did he know that the pot of gold lay just around the corner.

'Arora sir', as he is fondly called by his students, began creating and uploading instructional videos on YouTube. Initially, his videos were only viewed by those who already knew him, but eventually, they gained popularity among students throughout the country, particularly among those who were preparing for competitive exams. "From Aurangabad to Nagpur, students started writing to me about how my teaching pattern resonated with them. In the comments section, I would ask them which chapter they wanted to study next. They also gave me feedback on my videos."

During the day, he would record the sessions, and then later that night, he and his brother would edit the footage and upload them to the video-streaming service. The next day, he would start filming videos for the next chapter. This routine went on for two to three months before the next breakthrough. Arora's videos went from having 100 views in a week to 4,000-5,000 views each day. The bigwigs in his field took notice of his 140,000 Instagram followers. In November 2021, he was called by one of India's leading edtech unicorns, which offered him a lucrative salary to join its team. Arora says he now makes ₹1.5 crore annually.

And, his life has changed since he joined the edtech start-up. Now, paying his EMIs is a breeze and he intends to finish them off earlier than anticipated. He was also able to purchase a car for the first time ever: an MG Hector. His kids attend a 'big school' in Delhi, and he and his family can take frequent vacations to upscale locations. "*Ab itna milta hai ki ab zindagi maze se nikal jayegi* (Now I make enough to live comfortably)," Arora tells *BT*.

Not just Arora, many teachers in India are earning in crores now. This situation was unthinkable just a few years ago. But, what brought this change?

The Tech-tonic Shift

Teachers in our country have historically been held in high regard. But they were usually paid low salaries. Even today, according to interviews conducted by *BT* with a small sample of educational institutions, the median annual salary of teachers in secondary schools range from ₹3.5-5 lakh for freshers and ₹5-15 lakh for those with more than 10 years of experience. Those at the higher secondary level can expect to earn ₹1-1.5 lakh a month. Besides low salaries, they also deal with difficulties like lack of benefits and job security. As many as 42 per cent of the teachers in India work without a contract, per Unesco's State of the Education Report for India in 2020; and they earn an average monthly salary of less than ₹10,000.

> **India's edtech market will grow to $4 billion by 2025 from $750 million in 2020, according to IBEF estimates**

While education is considered a basic need and a springboard for success, there are only 9.5 million teachers in India at present, for more than 260 million students enrolled in schools, according to a report by edtech platform Ezyschooling.

While K-12 education still has a lot of support from the state and central governments, along with private schools, students preparing for competitive exams—whose numbers run into millions—have to rely largely on unaffiliated coaching centres running across the country. And this phenomena is what makes the segment so lucrative for edtech players, and in turn, for popular teachers. "The demand for material and content is the most for JEE Mains, NEET and UPSC, in that order," the founder of an edtech unicorn company, requesting anonymity, tells *BT*.

Each year, approximately 11 million candidates take the JEE Mains exam, and 10 million appear for the UPSC exam. This shows, the founder adds, that aspirational parents place greater value in seeing their children get into top engineering schools over cracking the civil services exams.

Since the need for education is so great and the infrastructure for it is inconsistent, edtechs have a lot of room to grow and they have found a way to capitalise on this trend. A report by the India Brand Equity Foundation (IBEF, a trust set up by the government to spread awareness about Indian products and services) estimates that by 2025, the country's edtech market will have grown from its 2020 valuation of $750 million to $4 billion, with a CAGR of 39.77 per cent.

The Breeding Ground

India is a hotbed for edtech companies, with big players like BYJU'S, Physics Wallah, Vedantu and Unacademy making waves in the industry. These companies have deep pockets, thanks to global investors like SoftBank, Tiger Global and Lightspeed Venture, to name a few. Edtechs have managed to rake in millions of dollars in funding rounds and many have even achieved unicorn status (a valuation of $1 billion or more). Bengaluru-based BYJU'S is the world's most-valued edtech company ($22 billion as of May 2023), per data from Hurun India.

However, before the pandemic "edtech was a small ecosystem" in India. "Covid-19 accelerated the Indian edtech sector," says Vidur Gupta, Co-founder of staffing firm Spectrum Talent Management.

During the pandemic, online communications became the lifeline that kept the world ticking while everything else was failing. Result: the edtech sector boomed.

ILLUSTRATION BY **RAJ VERMA**

A New Chapter

1

• Covid-19 turbocharged the edtech industry but when the pandemic began to fade, edtech firms started developing hybrid models—of online and offline teaching—to sustain growth. This has created a war among edtechs to provide the best teachers and services

2

• Edtech firms started offering handsome salaries to poach teachers from rival firms—that would also attract their students to their platform. They even offered ESOPs and other perks to attract the best teaching talent

3

• The recent months have also revealed the pressures of a decline in funding within the edtech industry, with teachers saying that the pressure to sell courses and generate revenues for the company has increased

4

• The investor community believes that edtech players should innovate. They must leverage tools like AI and ChatGPT to bring new systems and models within the ecosystem

“Before Covid-19, it (edtech) was a small ecosystem. The pandemic accelerated the Indian edtech sector... players started hiring aggressively, giving great salaries”

VIDUR GUPTA
CO-FOUNDER, SPECTRUM TALENT MANAGEMENT

“Our teachers receive competitive salaries, ESOPs, social security benefits and insurance. Thanks to the advancements in edtech, teachers can now reach a wider audience [and] make a greater impact”

SATISH KHENGRE
HEAD, HUMAN RESOURCES, PHYSICS WALLAH

“Players started hiring aggressively, giving great compensations, and also focussed on tech and content development,” says Gupta.

Like Arora, many teachers become millionaires with the sudden surge in demand. English, Mathematics and Science teachers are the most in demand, according to experts; teachers who assist students in getting ready for competitive exams like JEE Mains, NEET, UPSC, and CAT also command higher salaries. To learn more about the pay structures, *BT* reached out to a few edtech companies. Only Noida-based Physics Wallah responded by giving insights into their methodology for hiring.

“As a leading edtech company, we recognise the vital role that teachers play in delivering effective education and learning outcomes. To ensure the quality of our teaching, we implement a rigorous selection process that adheres to high standards,” says Satish Khengre, Head of HR at Physics Wallah. He explains that while selecting teachers, the edtech takes into account several factors, including student feedback, a demo of effective teaching methodologies, written exams to understand the depth of knowledge and interviews with subject matter experts.

To attract talent, the most popular enticement seems to be offering a fixed salary along with employee stock ownership plans (ESOPs). Edtech “companies are putting a lot of emphasis on ESOPs” to attract talent, says Gupta. “Companies that have raised various rounds of funding... their ESOPs become a lot more attractive.”

Companies have also been paying out salaries by adding a “sales component” to the variable portion of teachers’ remunerations. “Edtech companies tell their teachers to use sales coupons in their names. These coupons help students get discounts on courses and the number of such coupons sold by the teacher is counted as the sales generated by them,” informs an industry source.

“Our teachers receive numerous benefits, including competitive salaries, stock options, social security benefits, and life & medical insurance. Thanks to the advancements in edtech, teachers can now reach a wider audience, make a greater impact and become recognised and appreciated by students from all over,” says Khengre of Physics Wallah.

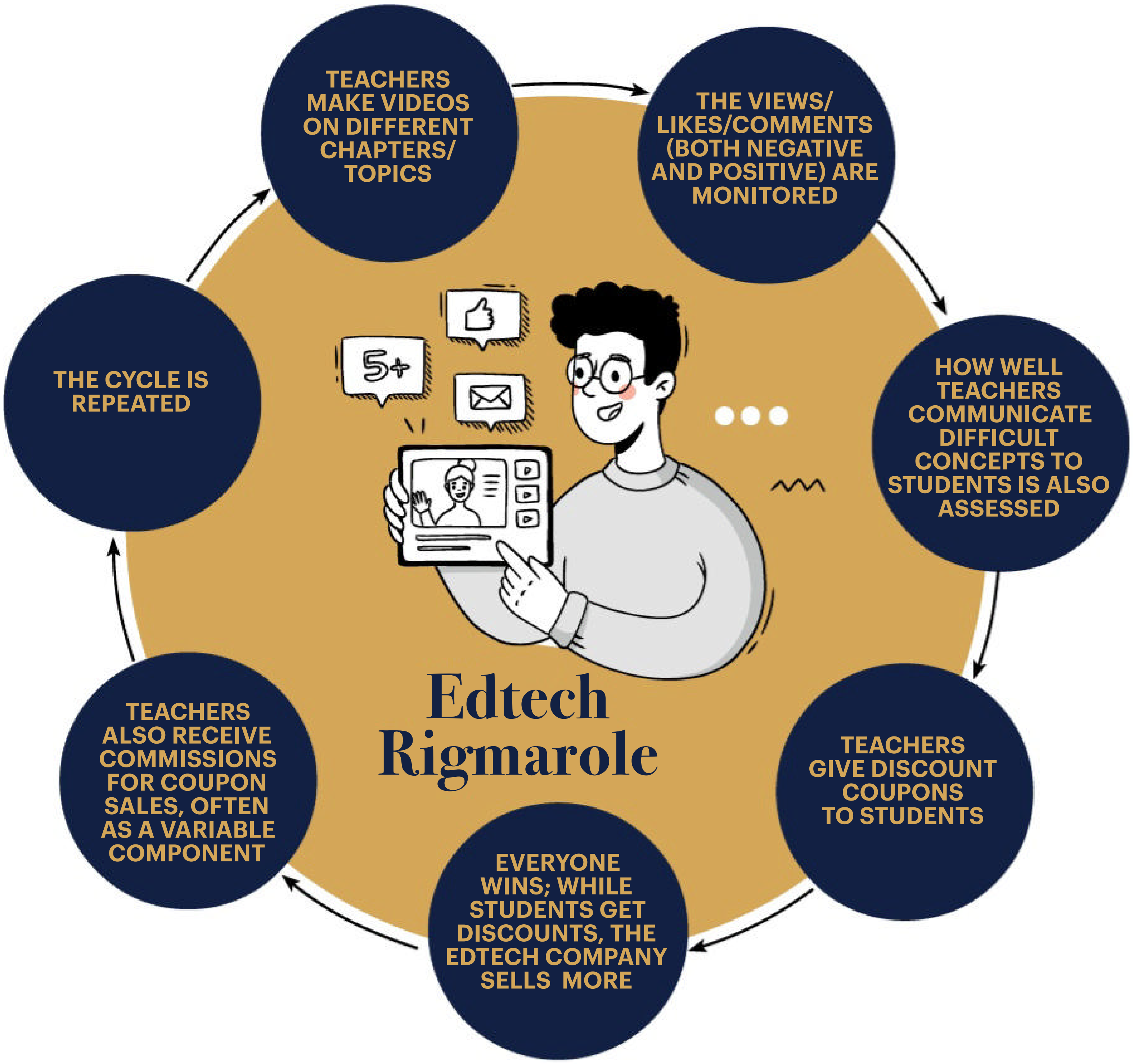
There is also a concept of ‘star teachers’ within edtechs, say sources. These are teachers who are followed by a huge number of students on social media and significant years of experience. According to the industry sources, the top 20 ‘star teachers’ of edtech companies were paid an annual remuneration of ₹3-4 crore during the pandemic. The coupon component works mostly with the star teachers.

The Real Test

Just when the edtech industry was riding high on success, it hit a bump as schools and offline institutes resumed operations with Covid-19 infections ebbing. “During the pandemic, edtech companies doubled down on their efforts to increase their online presence but now a hybrid way of learning was the new normal. And since they became so focussed on serviceability, the players have become extremely competitive,” says the source.

With competition growing, edtechs have resorted to poaching star teachers in order to maintain the edge over their peers. Over the past few months, multiple reports have suggested that edtech players are offering unheard of packages to the star teachers to grab a pie of their student base. “I got calls from two to three rival companies

Edtech Rigmarole


TEACHERS MAKE VIDEOS ON DIFFERENT CHAPTERS/ TOPICS
THE VIEWS/ LIKES/COMMENTS (BOTH NEGATIVE AND POSITIVE) ARE MONITORED
HOW WELL TEACHERS COMMUNICATE DIFFICULT CONCEPTS TO STUDENTS IS ALSO ASSESSED
TEACHERS GIVE DISCOUNT COUPONS TO STUDENTS
EVERYONE WINS; WHILE STUDENTS GET DISCOUNTS, THE EDTECH COMPANY SELLS MORE
TEACHERS ALSO RECEIVE COMMISSIONS FOR COUPON SALES, OFTEN AS A VARIABLE COMPONENT
THE CYCLE IS REPEATED
5+

in the past two years who were willing to give me a 500 per cent raise," says a star teacher to *BT*. A 500 per cent hike is "truly unheard of" in the sector, says Gupta.

However, with a higher pay package comes more responsibility. Working in an edtech company has become extremely "hectic and tiring". "Earlier our focus was only on making content for the students. Now we are involved in making content for online and also handling operations of offline centres," says the teacher mentioned above. And engaged as they are in their employers' rat race, many feel that they are drifting away from the simple pleasure and spirit of teaching.

Not just that, the funding winter has resulted in layoffs at companies like BYJU'S, Unacademy, Vedantu, among others. Unacademy has even slashed salaries. "Unacademy's leadership, including the founders will take a permanent salary cut. The reduction will depend on the current salary of the leaders, their scope and their performance. The salary cuts can go up to 25 per cent," Co-founder Gaurav Munjal said on the company's internal messaging platform on March 31 this year.

A fair amount of scaling down is happening within the edtech sector. The salaries have come down from ₹3-4 crore to ₹1.5-2 crore—almost half, says the founder of the edtech unicorn company mentioned earlier. "People who were overpaid lost their jobs first. There has been a lot of restructuring," the founder says.

The way the edtech ecosystem has played out in recent times makes one wonder if traditional institutions and the talent pool is interested in joining edtechs. Job stability and number of paid leaves are the reasons why traditional setups continue to beat edtechs, according to experts. With edtechs now encouraged to integrate new-age tech tools like AI and ChatGPT for teaching and materials, will the millionaire teachers be able to keep their mojo? Only time will tell. BT

@bhavyakaushal2

A VACATI FROM HIG FOREX RATES

CARRYING CASH IS RISKY, ESPECIALLY WHEN TRAVELLING ABROAD. IT'S VULNERABLE TO BEING MISPLACED OR STOLEN, AND ITS VALUE COULD FALL IF THE DOLLAR STRENGTHENS. HERE ARE SOME TIPS FOR OBTAINING FAVOURABLE FOREX RATES

BY **TEENA JAIN KAUSHAL**

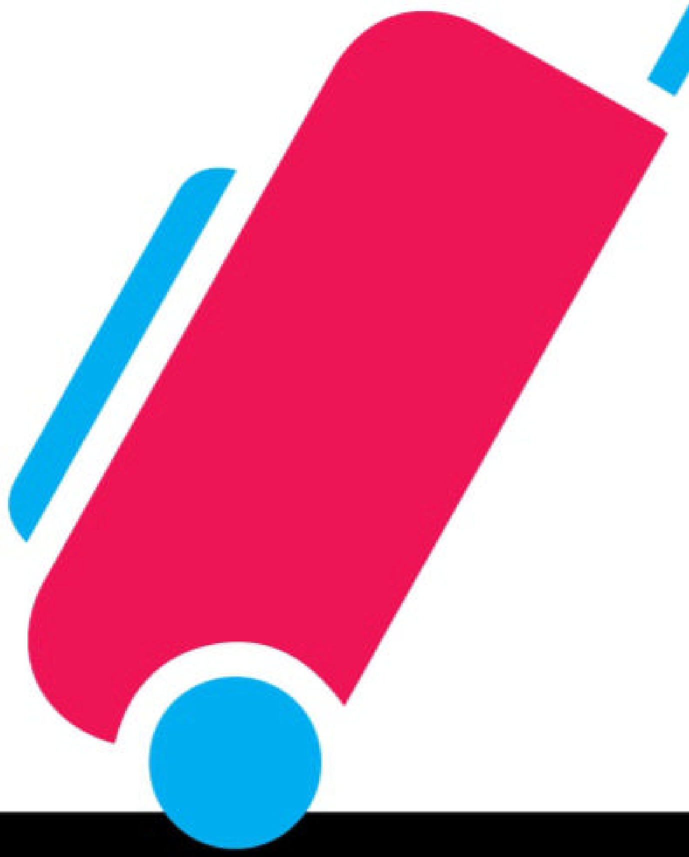


ILLUSTRATION BY **NILANJAN DAS**

THE BEST WAYS TO CARRY MONEY ABROAD

1 **CREDIT/DEBIT CARDS** NO TCS ON FOREIGN TRANSACTIONS UP TO ₹7 LAKH; FROM JULY 1, TCS OF 20 PER CENT WILL BE LEVIED ON AMOUNTS ABOVE THIS LIMIT

2 **UPI** INDIAN DIGITAL PAYMENT SYSTEMS LIKE UPI ARE AVAILABLE IN THE UAE, SINGAPORE, NEPAL AND BHUTAN

ON
H

3 **FOREX TRAVEL CARDS**
THEY CAN BE LOADED WITH ONE OR MULTIPLE FOREIGN CURRENCIES AND IN DIFFERENT COUNTRIES INTERCHANGEABLY

4 **TRAVELLER'S CHEQUES**
THESE WERE WIDELY RECOGNISED, BUT IN THE PAST 8-10 YEARS THEIR POPULARITY AND ACCEPTANCE HAVE DECLINED

5 **FOREIGN CURRENCY**
CASH CAN BE STOLEN OR LOST. THERE IS ALSO A CAP ON THE AMOUNT OF CASH THAT CAN BE CARRIED WHEN TRAVELLING ABROAD

AHMEDABAD-BASED YOJANA SINGH, a 40-year-old adventure seeker, cannot wait to visit the US. She has planned her first trip abroad down to the last detail, including a detailed packing list and an extensive shopping expedition. However, she hasn't given much thought to financing options for international shopping, dining and travel. Singh is confused about whether she should carry forex from India or use an international debit or credit card in the US, and wants to know the best and most cost-effective option. "My credit card levies 3.5 per cent as markup fee plus GST for cross-border payments. I am looking for some cheaper options to make the most of my trip."

And just like Singh, even you should look for the cheapest options to carry forex abroad, as it is important to plan ahead your payment options when travelling to foreign countries. Although cash has its advantages, it also carries the risk of being lost or stolen and may not provide you with the greatest conversion rates. Furthermore, people are more at ease utilising digital money following the Covid-19 outbreak, as some countries restricted the use of physical currency during the pandemic. This is why it is so important to be aware of viable options.

Fortunately, technology has enabled faster and more user-friendly solutions for overseas transactions. Payment options have expanded beyond only cash and credit cards in recent years. For example, UPI (Unified Payments Interface) has recently expanded into a few foreign markets, making it easier to make payments while abroad. Here are a few options to make payments when travelling abroad, along with their benefits and drawbacks, to help you make an informed decision.

INTERNATIONAL CREDIT CARDS

Most credit or debit cards offered in India have international acceptance. These cards are generally issued via global networks such as Visa and Mastercard. While credit cards are convenient and widely accepted, they levy a forex markup as well as tax collected at source (TCS) at a rate of 20 per cent (applicable from July 1) on spends of more than ₹7 lakh in foreign currency transactions, according to recent guidelines issued by the government. "When you're swiping today, you get three line items. The item cost in dollars, markup charges and the GST on the forex. You might get a fourth line now, which is the 20 per cent TCS [for spends of more than ₹7 lakh]. But let's wait for clarity to emerge on how this is going to get operational by July 1," says Adhil Shetty, CEO of BankBazaar.com.

So, while there is no TCS below spends of ₹7 lakh currently, there are other fees to be considered. "The cost-effectiveness of these cards is contingent upon factors like the exchange rate, foreign transaction fees, and other card-related fees. Some credit cards offer rewards, such as cashback or points, for foreign purchases, which can mitigate a portion of the costs associated with using the card," explains Rikant Pittie, Co-founder of travel booking platform EaseMyTrip.

For example, there is the forex markup fee (charged on every foreign currency transaction) of 0-4 per cent that differs for each credit card provider. Although that may not sound like much, it can add up to quite a bit. Consider this: if you make a purchase of ₹10,000 using your international credit card, it's possible that you'll have to pay an extra ₹400 as forex fee.

Currently, many banks have started issuing credit cards with no or modest forex markup costs, thanks to their partnerships with innovative fintechs. For instance, there is no markup on forex cards like RBL World Safari Credit Card, while One Card and YES First Exclusive Credit Card charge 1 per cent and 1.75 per cent markup fees, respectively, for transactions abroad. "In these (debit/credit) cards, the primary currency of transaction is INR, hence there is a forex markup. With these cards, customers may not have control over rates when making ATM withdrawals or spending overseas," says Puneet Kapoor, President of Products, Alternate Channels & Customer Experience Delivery at Kotak Mahindra Bank.

Then, the other factor to keep in mind is interbank exchange rates (IBR). These are rates at which banks buy and sell currencies from each other. However, credit card companies may charge customers more than the IBR for foreign transactions to cover their expenses. So, do keep in mind the margin charged by your card provider over the IBR, especially in case of zero-markup-fee cards.

However, none of these can be done if you don't activate international transactions on your card before going on your next foreign trip, as most cards do not have this option activated by default.

FOREX/ATM WITHDRAWALS

Travelling abroad may also require cash, as it is determined by the country of travel. For example, in the US, credit cards are widely accepted. But in countries like Vietnam and Indonesia, card payments may not be so popular, so you may need to carry cash. An important point to keep in mind is that airport forex rates are marked up, so it's best to avoid buying them there. Therefore, it is advisable to buy forex at an online marketplace or a bank with a low IBR markup.

Moreover, there will be TCS on cash conversions too from July 1. "At present, 5 per cent TCS is only applicable above ₹7 lakh. Starting July 1, TCS will be applicable on currency notes on the complete amount at 20 per cent," says Anand Tandon, Founder & CEO of Myforexeye, a Noida-based fintech firm. Experts say that though the TCS amount can be adjusted at the time of filing income-tax returns, it creates a cash-flow problem for travellers.

ATM withdrawal is another option. However, care should be taken when withdrawing cash internationally. Several parties are involved when using an ATM

PLAY YOUR CARDS RIGHT

Some of the international travel credit cards with low forex markup fee*

Credit card	Annual fee	Forex markup fee	Other international travel benefits
Axis Magnus Credit Card	₹10,000	2%	• Unlimited international and domestic airport lounge visits with eight additional guest visits with priority pass card per year • 5x EDGE rewards on travel spends via Travel EDGE
HDFC Infinia Credit Card Metal Edition	₹12,500	2%	• Unlimited airport lounge visits for primary and add-on members • Up to 10x reward points on Smartbuy on travel, shopping spends
SBI Card Elite	₹4,999	1.99%	• 6 complimentary airport lounge visits per year outside India through priority pass • Club Vistara Silver and Trident Privilege Red Tier memberships
RBL World Safari Credit Card	₹3,000	Nil	• 5 travel points per ₹100 on travel spends • 2 complimentary international airport lounge visits using priority pass • Travel insurance
YES First Exclusive Credit Card	₹1,999	1.75%	• 24 reward points per ₹200 travel and dining spends • 10 reward points = 1 InterMile/1 Club Vistara point • Up to 6 complimentary airport lounge visits abroad per year

*Fees charged by credit cards when you use them for transactions in a different currency

SOURCE: PAISABAZAAR

card abroad, including the bank that issued the card, the bank that disbursed the cash, and settlement agents like Visa or Mastercard. Converting your money into foreign currency also incurs markup fees. If a particular ATM transaction looks expensive, cancel it and choose another ATM.

UNIFIED PAYMENTS INTERFACE

UPI has revolutionised payments in India in recent years. The good news is that the platform can now be used abroad in a few nations. For instance, PhonePe introduced UPI International in February. This lets Indian PhonePe users utilise UPI to pay foreign merchants in the UAE, Singapore, Nepal and Bhutan by activating international transactoins at merchant locations on their UPI-linked bank accounts. The payment is made via Indian banks and the recipient gets funds in their local currency. This can help reduce plastic card usage abroad. However, UPI International as a whole is yet to take off. First, it's confined to certain countries. Second, the merchant outlet must be UPI-enabled and offer QR codes for you to pay. Though small, UPI International is a key step towards making international travel and payments easier.

FOREX TRAVEL CARDS

You can load these cards with one or multiple foreign currencies and use them interchangeably in different countries. A forex travel card is typically loaded with funds upfront. While issuing it, some firms may charge you a nominal fee, while many offer it free of cost. Again, the exchange rate used to buy forex for the card is typically higher than the IBR as it covers the operating costs. So, check the margin the issuer charges for IBR.

Preloading a forex card is the safest and cheapest option. It locks in exchange rates, protecting you from fluctuations. "Forex cards do not incur additional foreign exchange markup fees as long as the card is used within the same currency jurisdiction for which it is loaded," explains Rohit Chhibbar, Head of Credit Cards at Paisabazaar. But, will customers be charged TCS on forex cards? "On cards, TCS will be applicable above spends of ₹7 lakh at 20 per cent from July 1," says Tandon of Myforexeye.

However, these cards charge for ATM withdrawals and balance enquiries, and have a daily withdrawal limit. But what if you run out of money abroad? Well, you can easily reload these cards online from anywhere.

PICKING THE RIGHT RATE

Buying foreign currency requires negotiating exchange rates. Banks and forex dealers sometimes have a considerable margin, so don't accept them immediately. Since banks and money exchangers exploit customers' ignorance, knowing the IBR might help you negotiate better rates. **BT**

@teena_kaushal

SHADES OF

GLORY

KEEP YOUR EYES SAFE AND LOOK FASHIONABLE AT THE SAME TIME WITH OUR PICK OF THIS SEASON'S SUNGLASSES

BY **SMITA TRIPATHI**

ILLUSTRATION BY **PRABAL BISWAS**

Available in bright colours, Gucci's latest collection comes with oversized interlocking 'G' detail on the temples

IMAGINE KEANU REEVES'S 'Neo' in *The Matrix* without his custom-made micro-shades or Tom Cruise's 'Maverick' in *Top Gun* without the fancy aviators or even Audrey Hepburn's 'Holly Golightly' outside Tiffany's in the 1961 romantic comedy *Breakfast at Tiffany's* without her Oliver Goldsmith 'Manhattan' dark glasses. There are certain moments in film history that are unimaginable without sunglasses. Those cool dark shades are almost identifiable with the character.

Sunglasses have been the ultimate stylish accessory since they became available around a century ago. The fact that their main aim is to protect our eyes has become secondary. Sunglasses are worn indoors and in the evening too. They are fashionable and chic and more and more people are spending their disposable income on these highly cool accessories. Consider this: the market for sunglasses was valued at $21.44 billion in 2021 and is expected to reach $28.43 billion by 2026, as per Statista Market Insights.

PHOTO BY **GETTY IMAGES**

Audrey Hepburn's character Holly Golightly in *Breakfast at Tiffany's* made the Oliver Goldsmith 'Manhattan' dark glasses popular

But way before they became trendy, they were used to cover the most telling feature of our face—our eyes. When interrogating witnesses in court, judges in 12th-century China wore flat panes of quartz to conceal their eyes. They maintained an air of impartiality by covering the most expressive part of their faces. Ancient sunglasses provided no sun protection and were only intended to be worn indoors.

It was in the 18th century that tinted spectacles first appeared. Opticians in Venice developed emerald green glasses to protect against the glare of the water. Sunglasses soared in popularity over the following decades. The goggles worn by pilots in the First World War made sunglasses debonair. Hollywood, of course, played its role and dark glasses became associated with celebrities.

The latest spring-summer 2023 by Louis Vuitton presents two key shapes, round and square, available in acetate and metal

Bvlgari has launched their Bvlgari Serpenti 'Colourhapsody' metal sunglasses for women that come with purple lenses

In 1937, Ray-Ban developed the Aviators, meant for pilots who complained of headaches due to strong sunlight. They became a rage and by 1938 sunglasses had become fashionable both in the US and Europe.

The association of sunglasses with celebrities has also resulted in them being sold at high prices at auctions. A pair of sunglasses belonging to legendary rock star Elvis Presley sold at auction for $159,900 in 2018. In 2019, Sotheby's sold a pair of sunglasses which were once worn by Beatles star John Lennon for £137,500. The round, green-tinted glasses were by designer Oliver Goldsmith. According to the letter of provenance accompanying the shades, they were found by former chauffeur Alan Herring after Lennon left them in band mate Ringo Starr's car in the summer of 1968.

Recently a pair of Celine sunglasses made iconic by celebrated American author and critic Joan Didion, who was the face of one of the campaigns for the French luxury brand, sold for $27,000 at auction.

It was in the 1980s that luxury fashion houses launched their own line of sunglasses to further their brand power and expand their labels. Luxury brands such as Versace, Tiffany & Co, Bottega Veneta, Valentino, etc., all launch a new collection of sunglasses every season for both men and women. The latest spring-summer 2023 collection by Louis Vuitton presents two key shapes, round and square, available in acetate and metal. The collection that was launched globally in the last week of April is now available at stores in India. All styles feature the 'LV' initials engraved in metal on the hinges (price on request).

It was in the 1980s that luxury fashion houses launched their own line of sunglasses to further their brand power and expand their labels

The new Gucci spring-summer 2023 collection merges the classic with the eclectic. Available in bright colours they come with oversized interlocking 'G' detail on the temples. From narrow rectangular to oversized square shape, they are meant for both men and women (prices start from ₹23,700).

Bvlgari has launched their Bvlgari Serpenti 'Colourhapsody' metal sunglasses for women that come with purple lenses (₹22,900). They have also launched a collection of aluminium sunglasses with aviator frames for men (₹38,100).

British luxury brand Alexander McQueen has introduced new shapes and colours to its iconic spike stud mask sunglasses for spring. The unisex oversized mask sunglasses are fitted with a mirrored silver lens, and detailed with silver spike studs. They are available in smoke, red and silver lens, priced around £395.

And if like Holly Golightly you would like to float around the city in 'Manhattans', you can purchase them on the Oliver Goldsmith website for £325. Handmade in Italy, the frame is embossed with the date of its original production, 1960.

As the mercury rises and the sun shines bright, step out in style with the latest pair of sunglasses. Protect your eyes and be fashionable at the same time. BT

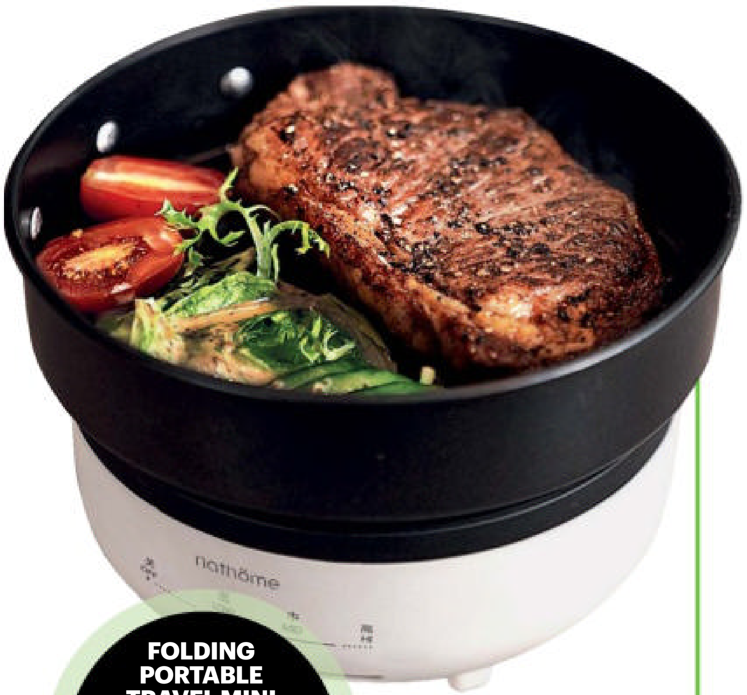
@smitabw

EASY TRIPPER

In the second part of a series, we bring you some travel accessories for a smooth trip

BY **NIDHI SINGAL**

TRAVEL TECH



FOLDING PORTABLE TRAVEL MINI ELECTRIC POT

$135

Cook your comfort food in this folding pot

BITE-SIZED KITCHEN

Love travelling but not a fan of trying the local cuisine? Cook your meals instead! While not every accommodation you stay in may have facilities for cooking, this folding pot will ensure you can rustle up your favourite soup or instant noodles anywhere you have access to electricity. With a stainless steel base, this pot is corrosion-resistant and is easy to clean. Plus, a feature ensures that the pot automatically trips if the water in it has dried up, preventing a fire. It has a separate power cord and is smaller than an iPhone 8 when folded.

Available on: *mavigadget.com*

RHA BLUETOOTH ADAPTOR

$50

This natty adaptor lets you enjoy in-flight entertainment on your favourite cans

SONIC BLISS

If travelling means lugging around your favourite cans, this will be music to your ears. This Bluetooth adaptor lets you connect any analogue audio source with 3.5-mm audio input—including on an airline—to your favourite cans or buds. What's more, this high-fidelity signal has a range of 10 metres, so you can walk down to coach without missing a beat. Want to binge-watch a show with your partner on a long-haul flight? This one's got you covered: the adaptor can pair with a couple of cans or buds, and lasts for 16 hours on a single charge.

Available on: *amazon.com*

PURSONIC S1 PORTABLE UV TOOTHBRUSH SANITIZER

₹2,578

This sanitiser ensures your toothbrush is bacteria-free

Smile Please

When you pack for a trip, a toothbrush's possibly what goes in first. But are you carrying your toothbrush right? Is it clean? Remember, even an apparently clean toothbrush might have bacteria harmful for your teeth and gums. But don't worry, help is at hand. This portable UV toothbrush sanitiser will kill all bacteria and ensure your teeth and gums stay healthy. Powered by two AA batteries, the sanitiser turns on automatically as soon as a toothbrush is placed in it and shuts off automatically after five minutes. Best of all, it fits all toothbrushes, and most electric heads.

Available on: *amazon.in*

VASCO TRAVEL ELECTRONICS GADGET & CABLE ORGANIZER BAG

$23

This bag makes your travel—especially security checks—hassle-free

No Hassles

Admit it. With the multiple gadgets and chargers in your backpack, unpacking and packing during a security check at the airport is a trying experience. Not if you invest in this organiser bag. Its multiple compartments, zippers and straps avoid clutter while keeping your multiple cables, adaptors and chargers neatly organised. And it's not just cables, adaptors and chargers that it can house. There is ample storage for a 9-inch tablet or an ebook reader if you will. Plus, the organiser is made of water-resistant and heavy-duty nylon and polyester mesh, so your devices stay safe, and you have smooth passage through security.

Available on: *vascobags.com*

TAKING CHARGE

Let's face it. One of the banes of travelling these days is carrying multiple chargers, and universal adaptors if you're travelling overseas. Finding enough outlets to plug them into is another pain. Bringing you some relief is this charging station. The device, which comes with a 30W USB-C wall charger and cable, lets you juice up the multiple gadgets you carry in one go. It has two dedicated wireless charging bases, of which one supports MagSafe for Apple devices. Plus, there are two additional ports as well to charge two more devices at 10W using the Type C and Type A ports. It can also be folded to act as a stand for your phone.

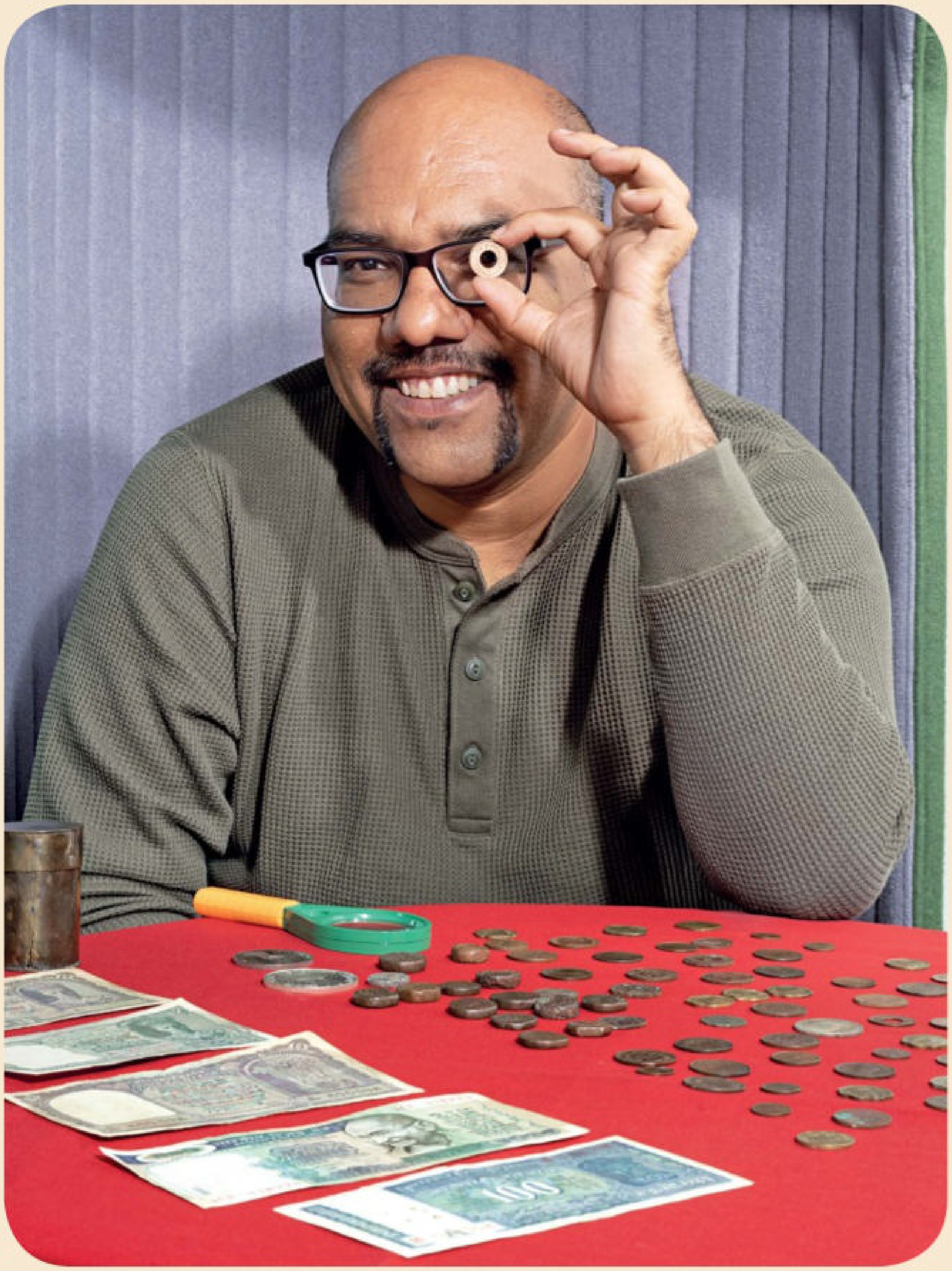
Available on: *amazon.com*

mophie
100% Charged

MOPHIE WIRELESS 3 IN 1 TRAVEL MAGNETIC WIRELESS CHARGING STATION

$99.99

Ensure your gadgets don't run out of juice



MORE THAN MONEY Aloke Bajpai was introduced to coin collecting by his grandfather when he was a child

THE COIN COLLECTOR

Aloke Bajpai, Co-founder and Group CEO of ixigo, has more than 700 coins, some dating back to the Mughal era

BY **SMITA TRIPATHI**

PHOTO BY **HARDIK CHHABRA**

WHEN ALOKE BAJPAI, Co-founder and Group CEO of online travel aggregator platform ixigo, was around 10 years old, his grandfather gave him some British era coins. The young boy was fascinated and that started his love affair with coin collecting.

Over the years, Bajpai has collected coins from the Mughal empire and also the Maratha period. “Some of these coins I found in a family chest. Some others were exchanged with other coin collectors,” says the 43-year-old. He also has old copper *mohars* that are undated.

> **“I also have coins from the British era. I have coins released during the reign of Queen Victoria, King George V and King George VI. I also have bank notes from the time of George VI”**

Bajpai enjoys collecting coins that were released to mark special occasions such as 50 years of Indian independence or the Commonwealth Games. “These days the commemorative coins have become more rare. So if I get my hands on one, I keep it.”

The ixigo Co-founder adds he also has coins from the British era. “I have coins released during the reign of Queen

Victoria, King George V and King George VI. I also have bank notes from the time of George VI," says Bajpai, admitting that the first set of currency notes issued post-independence are some of his favourites as his father was born in 1947.

Of course, his collection is not restricted to only historical coins and currency. "I also have currency from various countries. It's been collected over the years as either I or the family travelled. I even asked relatives to bring back some currency from their travels abroad," smiles Bajpai who has nearly 700 coins.

Over the past few years, as ixigo has grown, he hasn't been able to devote as much time to coin collecting. Today his biggest passion is technology. "I love discovering and interacting with anything new. I have been playing a lot with all the new AI tools. But things are moving so fast. One day in the AI world is like many years in technology," says Bajpai.

ixigo, launched 16 years ago, posted a revenue of ₹380 crore in FY22. Bajpai expects to cross ₹500 crore in revenue in FY23. "In the next one year we will continue to have demand higher than supply. We will tap into that with growth. We also have new verticals in the pipeline," he says. ixigo recently launched its EV bus service between Bengaluru and Tirupati. "We have pan-India expansion plans. We want to have 1,000-plus buses by 2026-end."

Bajpai believes EV is the future of ground travel. He says while India is on track for the rail network to be completely electrified in the next three years, it has a long way to go in terms of buses. "Governments have to work on making intra-city travel by EV buses."

So what's the future for ixigo? "We are relevant for the transportation bit already but can we be relevant for more? That's what we need to answer," says Bajpai. BT

@smitabw

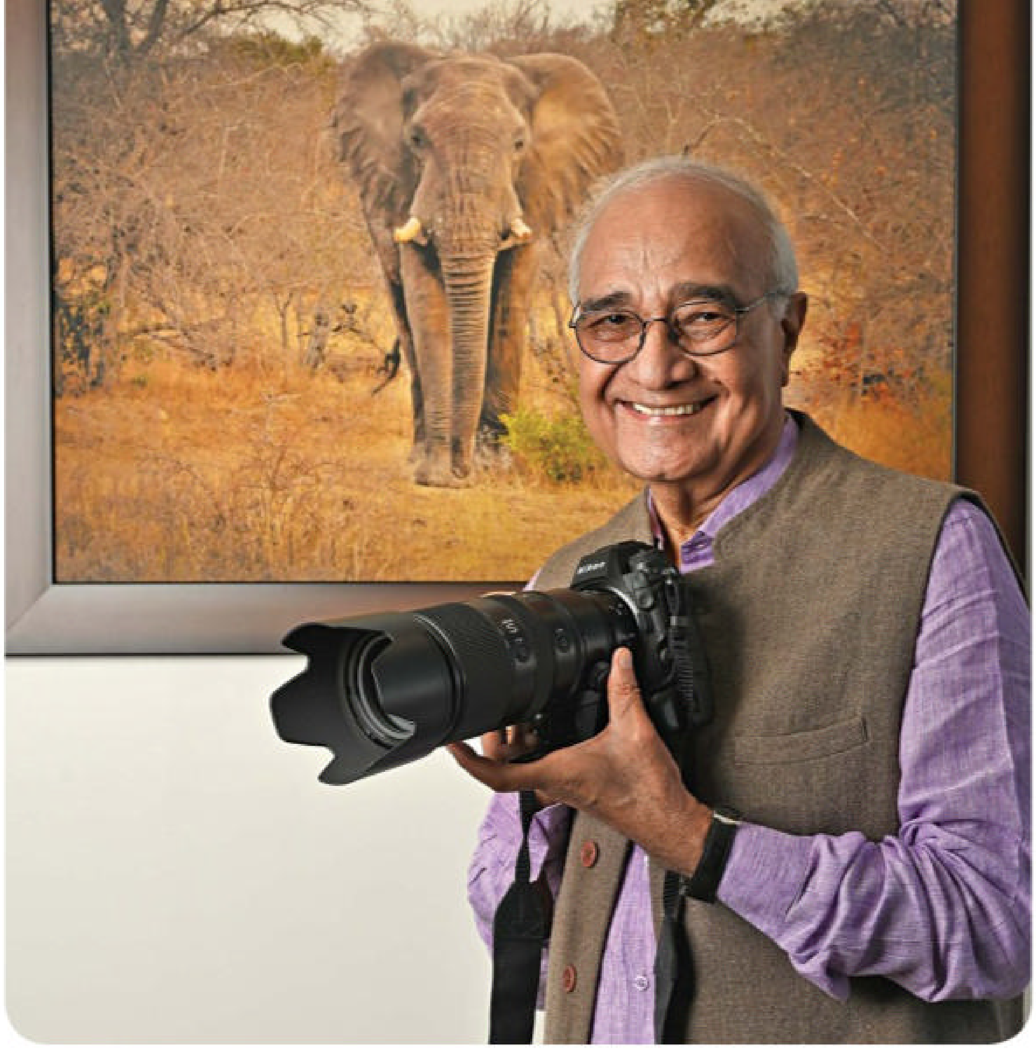


PHOTO BY MANDAR DEODHAR

FRAMING IT RIGHT Singh loves shooting at national parks. Kruger in South Africa is a favourite

SHOOTING STAR

L.C. Singh, Founder of Nihilent, enjoys photography and clicks nature in all its beauty

BY **SMITA TRIPATHI**

L.C. Singh, the 74-year-old Founder of global consulting and services company Nihilent, is an avid photographer. "By training I am an engineer but I have always had a lot of respect for the right side of the brain," he smiles, adding that he got interested in photography nearly 15 years ago. "I am fascinated with nature and how it is able to hide engineering. Sophisticated models covered beautifully. So it is my fascination with nature that led to photography," he says.

Singh only shoots nature—landscapes, birds and wildlife—with his Nikon Z9. "I don't like shooting human beings," he says. The Nihilent Founder has always used Nikon products and currently has lenses from 12mm to 1,200 mm. "I also use nearly 18 different pieces of software to process the pictures. After all, it is said that you don't take pictures, you make pictures," says Singh.

"The camera is unbiased. It just clicks pictures, but doesn't necessarily create emphasis where I want it to. So when you make pictures, the focus is on controlling the eyes of the viewer," he adds.

Singh who likes to study ontology and epistemology, loves shooting at national parks such as Ranthambore, Pench, Tadoba etc., but his favourite is the Kruger National Park in South Africa and he goes there at least once a year.

While Singh is self-taught, he enjoys sharing his experience with others and conducts photography workshops. "In photography you get totally lost in the act. You don't know where you are, what you are doing," says Singh, adding that it has made him more focussed. "When I am shooting a flower I am not thinking about work then. Photography has the same impact on me as meditation. It gives me a connection with a different species. It's a peaceful experience for me," he says.

Even while shooting his subjects, Singh follows some principles. He never shoots animals in captivity or a flower from top. "You need to respect your subjects," he signs off. BT

@smitabw

BEST ADVICE

RISHI PARDAL | MD AND CHIEF EXECUTIVE OFFICER | UNITED BREWERIES LIMITED

United Breweries Limited is a part of the world's second-largest beer maker Heineken

PHOTO BY **HEMANT MISHRA**

'Look at the basics of the business'

What was the problem you were grappling with?
Beer was among the most severely impacted consumer categories after the Covid-19 outbreak. Our business was impacted by the uncertainty due to the lockdown, shutting down of bars and restaurants, economic turbulence and increasing levels of taxation by states. Sales had dried up overnight. For a long time, beer wasn't accessible to consumers. This posed a concern as this could permanently alter consumption habits.

Who did you approach for advice?
I relied a lot on the wisdom of the board and the experience of the leadership team at United Breweries.

What was the advice you received?
The advice I got was to take an honest look at the fundamentals of the business and use the opportunity to redesign the organisation for sustainable growth. After a closer look, we realised that the long-term growth potential of the business was intact, given that India is a hot country with a young population, rapid urbanisation and rising incomes. This gave us the confidence to do the right thing: keep colleagues safe, continue engaging with consumers, manage costs, prepare the organisation to accelerate consumption when the opportunity presented itself and ultimately shape the future of the Indian beer market.

How effective was it in resolving the problem?
Our financial results are a validation of our efforts. From a 75 per cent year-on-year drop in net sales in April-June 2020, we witnessed a solid start to the peak summer season in 2022. The April-June 2022 quarter saw 121 per cent volume growth and 424 per cent PAT growth YoY. Our total volumes exceeded pre-Covid-19 levels. BT

—TEAM *BT*

Pardal resigned in February 2023, and is serving out his six-month notice period

Vol. 32, No. 12 for the fortnight
May 29, 2023 to June 11, 2023.
Released on May 29, 2023.
Total number of pages 116 (including cover)

75 Azadi Ka Amrit Mahotsav

nixi
Empowering Netizens

G20

www.co.in
www.biz.in
www.org.in
.in
www.abhinav.ca.in
www.travel.in
www.lawyer.in
www.copywriter.in
www.blogger.in
www.designer.in
www.dr.in
.in
www.com.in
www.artist.in
www.chef.in
www.webdeveloper.in
www.architect.in
www.neha.co.in
.in
www.info.in
www.net.in
www.tv.in
www.er.in

Banao apni nayi pehchan,
Digital नामकरण Ke Saath

Choose from a wide range of special domains (not limited to):

.com.in | .ca.in | .dr.in | .cs.in | .ai.in | .info.in | .io.in | .me.in | .travel.in | .internet.in | .pro.in | .res.in | .business.in | .biz.in | .5g.in | .tv.in | .up.in | .6g.in | .am.in | .bihar.in | .cn.in | .co.in | .coop.in | .delhi.in | .dv.in | .er.in | .firm.in | .gen.in | .gujarat.in | .in | .ind.in | .india.in | .int.in | .net.in | .org.in | .pg.in | .post.in | .uk.in | .us.in

Also get **FREE personalised email id** with **10 GB storage**

BOOK YOUR .IN DOMAIN THROUGH REGISTRARS TODAY

Know more: nixi.in | .भारत | निक्सी.भारत

in_registry | nixiindia | inregistry | nixi | NIXI

SCAN TO BOOK

Our Registrars

GoDaddy.com, LLC | Endurance Digital Domain Technology LLP | Key-Systems GmbH | Net 4 India Ltd. | NameCheap, Inc. | Hosting Concepts B.V. d/b/a Openprovider | Dynadot, LLC | Crazy Domains FZ-LLC | Wild West Domains, LLC | Name.com, Inc. | Tucows Inc. | Infocom Network Ltd. | Realtime Register B.V. | HIOX Softwares Pvt. Ltd. | ZNet Technologies Pvt. Ltd. | NameSilo, LLC | Rediff.com India Ltd. | Good Domain Registry Pvt. Ltd. | ERNET India | Gandi SAS | Silicon House | CSC Corporate Domains, Inc. | Trunkoz Technologies Pvt. Ltd. d/b/a OwnRegistrar.com | 1API GmbH | IN Registrar d.b.a. inregistrar.com | 1&1 IONOS SE | Instra Corporation Pty Ltd. | eNom, LLC | Uniregistrar Corp | Hostin Services Pvt. Ltd. | Ascio Technologies, Inc. Danmark – Filial af Ascio technologies, Inc. USA | 101domain, Inc. | MarkMonitor Inc. | OnlineNic | National Informatics Centre | TLD Registrar Solutions Ltd. | OVH SAS | Mesh Digital Ltd. | Gabia, Inc | InterNetX GmbH | Suryanandan.net | Web Commerce Communications Ltd. dba WebNic.cc | united-domains AG | Netlynx Technologies Pvt. Ltd. | V2 Technosys dba BookYourIN | India Links Web Hosting Pvt. Ltd. | Cybersites India Technologies Pvt. Ltd. | InterNetworX Ltd. & Co. KG | NETIM SARL | INDYADOT | Sree Jain Infotech dba bookandhost.com | Data Ingenious Global Ltd. | Incyber Advertising Incorporation | Domainming | EPAG Domainservices GmbH | Safenames Ltd. | Soluciones Corporativas IP, S.L. | MPS Infotecnics Ltd. | Name SRS AB | Terranet (India) Pvt. Ltd. | YesNIC Co. Ltd. | S.G.S. Technologie Pvt. Ltd. dba Netandhost.com | COREhub S.R.L. | 88-Online UK Ltd. | Pioneer Elabs Ltd. | Indsoft Systems | Nimzo 98, LLC | V India Technologies Pvt. Ltd. | DomainPeople Inc. | CPS-Datensysteme GmbH | Nom-IQ Ltd trading as Com Laude | DOTCOM SERVICES (INDIA) Pvt. Ltd. - DBA Worldindia.com | WWW INFOTECH LLP | Above.com Pty Ltd. | CSC e-Governance Services India Ltd. | SafeBrands SAS | Net-Chinese Co. Ltd. | Variomedia AG | Biznetindia Dot Com Pvt. Ltd. | Bruwink | Micro Hosting Pvt. Ltd. | Dinahosting SL | SparkHost India Pvt. Ltd. | Sify Digital Services Ltd. | PlanA Corp | Lexsynergy Ltd. | PDR LTD. D/b/a Publicdomainregistry.com | Epik, Inc. | Network Solutions, LLC | Zybosys Networks India Pvt. Ltd. | Topnets Group Ltd. | Marcaria.com International, INC | AppCroNix Infotech Pvt. Ltd., d/b/a VEBONIX.com | Brandsight, Inc | Ipfy Enterprise Pvt. Ltd. | Nameshield SAS | #1 Indian Domains dba Mitsu.in | ABTA | Adodis Technologies Pvt. Ltd. | Alankit Technologies Ltd. | Art Anthem India Pvt. Ltd. d/b/a Zeronweb | Basis Technologies Pvt. Ltd. | BE Software Solutions dba Aapkadomain.com | Bharat Domains d.b.a. Bharat.in | BigRock Solutions Ltd. | Broadspire India | Business Solutions | C-DAC | CGS Infotech | documentdata Anstalt | Domain Research, LLC | EIMS (Shenzhen) Culture & Technology Co. Ltd. | Focus IP, Inc. dba AppDetex | GLNAT Internet Services Pvt. Ltd. | Global Village GmbH | Ideaa BIZ Solutions dba DomainKing | IKON Marketing | IP Mirror Pte. Ltd. dba IP MIRROR | Kayz Infotech Pvt. Ltd. | Lime Labs, LLC | Magnum International | Melbourne IT Ltd. | Net registry Pty Ltd. | Nihar Info Global Ltd. | Rey Del Mercado Online Services | Secura GmbH | Software Technology Parks of India | Spectra ISP Networks Pvt. Ltd. | DomainSpot LLC | Times Internet Ltd. | Transecute Solutions Pvt. Ltd. | VentraIP Group (australia) Pty Ltd trading as VentraIP Wholesale | Webair Internet Development Inc. | Atak Domain Hosting Internet ve Bilgi Teknolojileri Ltd. Sti. | Zoho Corporation Pvt. Ltd. | CSpace Web Solutions Pvt. Ltd. | Nextra Online Services Pvt. Ltd. | Tool Domains Ltd dba Edoms.com | Vrindavan Industries | Porkbun, LLC | Dreamscape Networks International Pte. Ltd. | Vinsonmasii Technologies Pvt. Ltd. | Misk.com, Inc. | SkyQ Tech Pvt. Ltd. | Phoenix Corp. | NetBharat Technology | INFOXLY | HostRain Web Services | Cynoq Technologies Pvt. Ltd. | Mothersoft Technologies | Tvmserver Hosting Solutions Pvt. Ltd. | Blume Media LLP | Own Web Solution Pvt. Ltd. | Kwality Enterprises | Cyfuture India Pvt. Ltd. | Datject Infotech Pvt. Ltd. | Webspool Pvt. Ltd. | GetSetLive Pvt. Ltd. | Instacorp Solutions Pvt. Ltd. | Bengalwebhosting Datacenters Pvt. Ltd. | Edomains LLC | URL Solutions Inc. | NameWeb BVBA | Vedhan Technology and Solutions | Laxweb Technologies Pvt. Ltd. | SomeDomains | Costrar EOOD | Vifi Solutions and Technologies Pvt. Ltd. | Vetril Systems Pvt. Ltd. | Alpha InfoLab Pvt. Ltd. | Domain Registration India Pvt. Ltd. | PrimeCrown Technologies Pvt. Ltd. | Ovi Hosting Pvt. Ltd. | Sparrow Host Web Hosting | Hiltake Electronics (P) Ltd. | ICAI (The Institute of Chartered Accountants of India) | Hilltell Network Infrastructure Pvt. Ltd. | #1 Discount Domains dba ddomains.in | Nexta Web Solution | WeboZip Media | MATROFT INC | Domain Science Kutatási Szolgáltató Korlátolt Felel sség Társaság | WTN Technologies Pvt. Ltd. | Hostao LLC | Oximis Techniqo Pvt. Ltd. | AlsoDot.com | KALINGA HOSTING SERVICES | Cloudlinks Technologies Pvt. Ltd. | WhiteServer Internet | Hostinger, UAB | Live Creation | AGMSYS Infotech Pvt. Ltd. | ONEKICK LLC

The Financial and Travel Platform to address your diverse needs

EbixCash is a one stop non-aligned destination for consumers, small & large businesses, financial institutions, insurance entities, airports, ports, bus roadways corporations etc. for all their payments, remittance, foreign exchange, travel, BPO, healthcare and fintech needs.

EBIX CASH
Cabs
EBIXCASH
Har Khushi Ke Liye Kaafi Hai
PAYMENT SOLUTIONS
TRAVEL
SMART TECHNOLOGY
SMART INITIATIVES